

Issues for the U.S. Navy in the Black Sea Region: Country Profiles and Recommendations

Russia, Turkey, Ukraine, Romania, Bulgaria, Georgia

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Approved for distribution:

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Introduction

Background

In February 1999 CINCUSNAVEUR asked CNA to analyze prospective trends and developments in the Black Sea region over the next five years in light of U.S. interests and objectives, assess the contribution that Navy engagement programs can make to achieving them, and make specific recommendations for future Navy planning and engagement activities. The final report of that project is CNA Research Memorandum (CRM) 461, *The Black Sea Region: Issues for the Navy* (CONFIDENTIAL), March 2000.

This report, an important building block in the project, contains profiles of the six Black Sea littoral nations, with special attention to U.S. national objectives. In the case of the newly independent states and countries that were formerly members of the Warsaw Pact, we look in detail at the prospects for domestic political stability, economic development, and regional relations, and how Navy engagement programs can support U.S. goals. The Russian profile concentrates on that country's Black Sea perspective. We look at Turkey, a key U.S. ally, in terms of its special responsibilities in the Black Sea, as well as its regional interests. The study team used information available through December 1999 in preparing these profiles.

Approach

We began the process of generating country profiles by establishing detailed research questions in light of each country's history and regional relationships. We turned to public statements and U.S. agency program documents for authoritative current U.S. policy objectives. CNA analysts with extensive experience in the area and in one or more Black Sea countries reviewed the output of the Intelligence Community, the relevant academic literature, and journalistic sources on each country, and sought out experts among the scholarly community in the Washington area. We also consulted policy officials in the Departments of State and Defense, and other U.S. agencies, and former U.S. diplomats who had served in senior positions in Black Sea countries. Members of the study team then travelled to the six countries for detailed interviews with national officials, military officers (with emphasis on navies), scholars, and American Ambassadors and other U.S. country team members.

With these data in hand, the study team developed profiles for each country. Adjusting in some cases for special circumstances, the profiles cover U.S. goals; the domestic political and economic situation and prospects; security perceptions; relations with the United States, the region, and European institutions (including NATO); defense issues; and the context for U.S. Navy engagement, including specific recommendations.

The six profiles follow. Each begins with a brief summary.

Russia

The Russian armed forces are currently in an extremely difficult situation.... It is hard to visualize a more depressing picture. The difficult situation in the armed forces is the direct result of the general situation in Russia.

– General (ret) Boris Gromov, Member of Russian Duma, last commander of Russian forces in Afghanistan, in 1999¹

In 2000, our sea power in the Baltic will be one-half that of Sweden and one-third to one-fourth that of Germany. In the Black Sea, our sea power will be one-half of that of Turkey....

– Rear Admiral Valery Aleksin, Head Navigator of the Russian Navy, in 1997²

Summary

The dissolution of Russia's economy, military establishment, and sense of purpose after the collapse of the Soviet Union, and its loss of international status, have made Moscow hypersensitive to slight. Russia feels particularly vulnerable in the Black Sea, where it views regional U.S. initiatives—including Navy engagement—as part of a pattern of activities undertaken at Russia's expense. This pattern includes NATO's expansion, past and anticipated; U.S. and Western interest in Caspian energy resources (including the recently agreed Baku-Ceyhan pipeline, which will bypass Russia to transport Caspian oil); and American military reach into Kazakhstan and other parts of Central Asia through military exercises. Possible NATO membership for former Soviet republics like the Baltics or Georgia is a particular concern and, Moscow advertises, would be unacceptable. The bitterest pill remains NATO's 1999 Kosovo campaign, which Russians see as a humiliation and perhaps a precedent for Western intervention in Russia or one of the former Soviet republics.

- Russia's security doctrine has undergone major changes in the past decade. The 1993 doctrine downgraded foreign military threats. It also abandoned Russia's stated policy of not being first to use nuclear weapons, a recognition of its growing conventional force weakness. The 1997 concept stressed economic, political, and social concerns rather than foreign military threats. The 2000 version (elaborated in 1999, under President Boris Yeltsin) restored foreign threats—particularly the perceived U.S. world hegemony (a "unipolar world"), NATO enlargement, and the Kosovo campaign.
- The U.S.-Russian agenda is broad and important.
 - Arms control issues include proposed reductions in nuclear arsenals; Cooperative Threat Reduction (Nunn-Lugar) efforts to help downsize and stabilize Russia's large nuclear weapons establishment; a ban on nuclear testing; and proliferation issues. A recent controversial topic is revision of the 1972 ABM Treaty.
 - Another general area relates to issues of world peace and European security. Russia's support is important to efforts toward peace in the Middle East, UN actions on Iraq, and other issues that need UN Security Council approval. Russia also has a pivotal role as a spoiler or helper on Balkan issues such as Bosnia and Kosovo.
 - Bilateral cooperation areas include terrorism and organized crime.
- Russia has complicated relations with the former Soviet states of Ukraine and Georgia. Ties with Ukraine are close, but Russia fears too strong a Ukrainian swing to the West. Ukraine, for its part, is concerned that Russian nationalism might increase and rekindle Russian claims to Crimea and Sevastopol. Russia has considerable leverage in Georgia and resents Georgia's pro-Western orientation.
- Russia's military is drastically reduced in personnel and resources from a decade ago. The Navy is in crisis with a depressed officer corps, a deteriorating and largely immobilized fleet, and low priority among the services. Its present role is to concentrate on coastal defense and economic interests.

- The Black Sea Fleet has the lowest priority among Russia's four fleets. It has taken some hard hits in the past decade: part of its assets have been transferred to Ukraine, as have much of the ground and air forces it used to support. Its nominal strength comprises 12 principal combatants, of which about half are operational, and some of which are more than 30 years old. The newest, and largest, ship in the BSF is the Slava-class cruiser Moskva, but it has been in refit since 1991. Others include a destroyer, frigates, and one Kilo-class submarine. The naval aviation that remains with the Russian BSF is estimated to number about 17 combat aircraft and 30 armed helicopters.
- The headquarters of the Russian Black Sea Fleet continues to be Sevastopol, although that city is now part of Ukraine. Russia has a 20-year lease on facilities there (renewable for 5 more). Neither country has addressed what happens when this time runs out.
- While Russia is generally not welcoming to American naval presence in the Black Sea, bringing Russia into engagement activities could:
 - Build ties and joint capabilities that could pay off in regional catastrophes or contingencies in which Russia may be the natural partner for joint evacuation or other action.
 - Bring Russia into activities that promote stability in a region plagued by chaos and violence.
 - Increase the comfort level of other countries (Ukraine, Bulgaria, Georgia) that may welcome Russian participation for their own political reasons.
- Over time, a pattern of joint U.S.-Russian activities would build acceptance of U.S. presence in the Black Sea as normal and integrate Russia into regionally stabilizing activities.
- Engagement activities that are potentially appealing to both the U.S. and Russia include:
 - Mutual disaster relief. This could feature joint evacuation.

- Search and rescue. The Russians like it and are good at it.
 - Counter-terrorism. Top levels in both countries underscore priority in this area. One possibility is exercises involving U.S. Seals and Russian Spetsnaz.
 - Environmental work. One possibility is a joint USN-Department of Energy Project to develop civil-military cooperation among all Black Sea nations (including Russia) in dealing with oil spills.
 - Coastal surveillance.
- The Russian Navy is embarrassed to be led around or shown up by the United States, or to be put in a category with lesser navies. For this reason, it may at times prefer bilateral activity to Partnership for Peace (PfP) or other multilateral settings.

U.S. policy goals

Russia's evolution toward free-market democracy remains crucial to U.S. national security and its political and commercial interests. In supporting and hastening that evolution, the U.S. seeks to build and consolidate new relationships with Russia, first as a full partner on a wide array of global issues -- ranging from the maintenance of regional and international peace to the reduction of environmental threats -- and second, as an active partner in trade and investment.

--U. S. Agency for International Development,
Congressional Presentation, FY 2000 - Russia

As a result of the 1997 NATO-Russia Founding Act, NATO and Russia launched the Permanent Joint Council to enhance political consultation and practical cooperation, while retaining NATO's decision-making authority. Our shared goal remains to deepen and expand constructive Russian participation in the European Security System.

-- The White House, December 1999, A National Security Strategy for A New Century, p. 30.

The integration of Russia, Ukraine, and other NIS with the new Europe and the international community remains a key priority. Despite disagreements over NATO enlargement and the Kosovo conflict, Russian troops serve shoulder-to-shoulder with U.S. and NATO forces in Kosovo and Bosnia. The United States remains committed to further development of the NATO-Russia relationship and the NATO-Ukraine distinctive partnership.

-- Same, p. 32

The domestic situation: political and economic considerations

Collapse of an empire

To appreciate today's context for work with Russia X including military engagement X it helps to recapitulate the changes in Russia's domestic and international environment over the past decade. The loss of status has been immense; the effect on Russia's psychology has been profound. Following are some indicators of this implosion: ³

- Moscow lost its Warsaw Pact alliance X a *de facto* empire X within the space of several months in 1989.
- At the end of 1991, with the breakup of the Soviet Union, it lost half the population, 40% of the GNP, and a quarter of the former national territory.
- The Soviet economy had been in decline since the 1970s; the fall sharply accelerated over the past decade. This economy fell in GNP from 3rd in the world in 1987 to 15th in 1996. In 1987, Soviet GNP was about 30% of America's; today the Russian GNP is less than 5%.

- Russia has largely shifted from an industrial to a natural-resources economy.
- National health is a disaster. Life expectancy is down, the population is falling, the health system is failing, and contagious diseases are making a comeback.
- The armed forces are in shambles.
- Russia has lost identity and purpose. Democracy and reform flourished briefly as popular concepts and now, in a reverse swing, are often seen as negatives. (They are not gone from the scene and should not be dismissed, however). Marxism-Leninism is finished as a guiding principle—but nothing has replaced it.

There are several consequences of this extraordinary collapse:

- Russia now matters increasingly more for the territory it occupies than for its ability to mobilize resources and project power abroad;⁴
- Its claim to deference from the international community is increasingly through the trouble it can cause rather than the contribution it can make;⁵
- Russia has an inferiority complex even greater than before. It is hypersensitive to slight.

Achievements

There are also some achievements that benefit world stability as well as Russia:

- The USSR's dissolution as an empire and a nation was peaceful. Its nuclear arsenal, which overnight became the property of four new nations, was reassembled or disposed of in an orderly way.
- Russia has governed itself since 1992 without the Communists in office and without trying to recreate the former Soviet Union.
- Russia has adopted the goal and practices of democracy and conducted a series of acceptably free and fair elections.

- It has taken important if incomplete steps to build a market economy in place of a central command structure.

The external situation: regional and global considerations

The Russian view of Western initiatives—and especially American initiatives—is shaped by the context in which the Russians place them. This applies particularly to regional initiatives, including naval engagement in the Black Sea. Following is our sense of Russia's view.^a

NATO expansion

Russia is unhappy with NATO's Partnership for Peace (PfP) program and the participation of a number of post-Soviet countries (including Georgia, Ukraine, and several Central Asian states). It also resents the training and military-to-military opportunities that the U.S. has given these countries. Its abilities to make a public case are limited by its own PfP membership. (Russia joined in 1994.)

NATO expansion to take in Poland, the Czech Republic, and Hungary was a bitter pill for Russia and widely interpreted as an anti-Russian move. Russians sometimes also raise the claim that their country had assurances from Western leaders that NATO would not expand (a debatable point, but one taken at face value by the Russians who use it).^b

Russia expects NATO to expand to Romania, Bulgaria, and likely to Slovenia and others. It sees this as a Western effort to gain at its expense and to project an expanded alliance up to its former borders. But it will grudgingly accept such expansion. NATO membership for former parts of the USSR, however, is another story. "We take a negative view whether it is Poland, Hungary, the Czech Republic, Romania or other

^a For an account of Russian concerns on such topics as NATO expansion, Caspian Sea issues, and the Kosovo campaign see CNA, *Report on the 12th Seminar conducted by CNA and the Institute for USA and Canada Studies of the Russian Academy of Sciences (ISKRAN) on Russian-American relations, 7-11 June 1999*. (CIM-620 / September 1999).

^b See, for example, Sergo A. Mikoyan, "Russia, the US and Regional Conflict in Eurasia," *Survival*, Autumn, 1998, pp. 112-126. Mikoyan claims such a promise was made by Helmut Kohl to Gorbachev.

states that are accepted into NATO," said the Russian ambassador to Romania in 1998, "But there is a red line beyond which we cannot agree to tolerate NATO expansion. And that means membership for former Soviet republics."⁶

Georgia is one possible candidate that troubles Moscow. (President Shevardnadze has said he will seek NATO membership if re-elected in April 2000). The Baltic states of Latvia, Lithuania, and Estonia are others. (They have expressed interest; and Deputy Secretary of State Talbott has been quoted as saying that they are "not only eligible for membership in the alliance, they are making very real concrete progress in that direction.")⁷

Caspian region and Central Asia

Russia views U.S. policy toward the Caspian region, including U.S. advocacy of the Baku-Ceyhan and other pipeline arrangements, as an attempt to gain geopolitical and economic advantage at its expense. Boris Yeltsin commented in 1997 that "American interests already are starting to infiltrate" the Caucasus, "openly calling it a zone of their interests."⁸ Hostility and suspicion have grown in the interim, especially in the wake of NATO's Kosovo campaign. In late 1999 Russia's Defense Minister, Igor Sergeev, said "This Western policy constitutes a challenge to Russia, a challenge aimed at weakening its international positions and edging it out of the strategically important regions of the world, primarily from the Caspian region, the Transcaucasia and Central Asia." At about the same time, Foreign Minister Ivanov referred to an "evident battle for spheres of influence."⁹

From a Russian vantage, there are a number of specifics to back their view. These include:

- A procession of prominent Americans to Azerbaijan and other countries in the Black Sea and Caspian Sea regions, some of whom buttress their case for investment with strategic as well as economic rationale. The list¹⁰ (with lobbying affiliation if known) includes Howard Baker (Pennzoil), Lawrence Eagleburger (Phillips Petroleum), John Sununu (R.V. Investments - gold mining), Dick

Cheney, Lloyd Bentsen, Richard Armitage (Texaco), and Zbigniew Brzezinski (Amoco).^c

- Comments by U.S. Secretary of Energy Bill Richardson on the occasion of agreement in November 1999 on the Baku-Ceyhan Pipeline (which if built will take oil through Georgia to one of Turkey's Mediterranean ports). "This is a major foreign policy victory, he was quoted as saying, "It is a strategic framework that advances America's national security interests."¹¹ The official U.S. view is that the pipeline is a win-win situation for all.
- Remarks in 1997 by NATO's then Secretary-General, Javier Solana, that "Europe will not be completely secure if the countries of the Caucasus remain outside European security."¹²
- "The longest-distance airborne operation in history, as the participation of the 82nd Airborne Division troops in Exercise Central Asian Battalion 97 was described.¹³ The exercise was held in Kazakhstan and Uzbekistan. Russia was unhappy with the U.S. participation in CENTRASBAT and publicity surrounding it and probably took it as a sign of how far its power in the region had faded. Privately, Russians suggested that to see how they felt, Americans should imagine Russian troops in an exercise in Mexico near the U.S. border. The fact that its own troops took part, as well as the peacekeeping and humanitarian themes of the exercise, limit how much umbrage Moscow could take publicly.
- Western exercise scenarios that cast Russia as the villain in what was recently Soviet territory. One (Sea Breeze 97) suggested a situation in which NATO sided with Ukraine against a Russian-backed revolt in the Crimea. Another (an Army War College simulation in 1997) featured U.S. troops battling an invading Russian force, presumably in Ukraine. Facing defeat, the Russians used electro-magnetic pulse to disable American satellites.^d

^c Also noteworthy are advisory board members of the U.S.-Azerbaijan Chamber of Commerce, which include Henry Kissinger, James A. Baker III, Brzezinski, and Sununu. The chamber's co-chair is Richard Armitage; its legal counsel is James A. Baker IV.

^d See, e.g., *Jamestown Monitor*, October 28, 1998; and *San Diego Union-Tribune*, November 13, 1999. On Sea Breeze 97, see also Sergo Mikoyan, cited above, who writes, "There were

NATO=s Kosovo campaign

NATO actions in Kosovo bothered Moscow profoundly for a number of reasons. The fact that NATO, led by the U.S., would circumvent the UN Security Council and undertake an out-of-area campaign in the Balkans is taken as a sign of Russia's unimportance. The rationale of humanitarian intervention to stop internal human rights abuses is even more jarring to Russia (as it is to China and others). In addition,

- Moscow is rankled that the Western invitation to Russia to participate in peacekeeping was to mollify European opinion rather than for the benefit of Russian participation.
- A significant part of Russian elite and public opinion speculate that, in the future, NATO might decide to intervene in Russia because of a domestic matter X like the 1999-2000 internal war with Chechnya X that was judged unjust in the West. The idea may seem far-fetched in the West (which did not intervene in Chechnya) but it has fallen on fertile ground in the former Soviet Union. Chief of the Russian General Staff Anatoliy Kvashnin has argued that Kosovo and U.S. strikes against Iraq (in 1998) were examples of NATO=s Agrowing readiness≡ to use armed force and that Aone may expect that other territories, including former Soviet territories, will be no exception."^{14 e}
- Similar views have been echoed in Ukraine, although in the context of possible NATO intervention in the Crimea in the event of discontent by the Tatar population.¹⁵ And mainstream political

mass demonstrations against this exercise in Simferopol, capital of the Crimean Autonomous Republic. Selecting this site for the exercise provoked Russians in the Crimea and elsewhere. The exercise's initial mission, as officials declared, was to resist a hypothetical Russian-backed secessionist movement in the Crimea. Only strong protests by Primakov convinced the Americans to redefine the exercise as safeguarding humanitarian aid to the population.... If Russian and Mexican forces were carrying out military exercises in the Gulf of Mexico, close to the Texan border, the American public would not be amused....," etc.

^e Similar views have been echoed in Ukraine, although in the context of possible NATO intervention in the Crimea in the event of discontent by the Tatar population. And mainstream political voices in Georgia, Azerbaijan, and Armenia have suggested that NATO intervene in the regional conflicts of concern to each of them. These views are discussed in country profiles of Ukraine and Georgia.

voices in Georgia, Azerbaijan, and Armenia have suggested that NATO intervene in the regional conflicts of concern to each of them.¹⁶

In conjunction with the Kosovo campaign, Russia cut back or stopped involvement in NATO activities and cut off routine contact with the U.S. Defense Attaché's Office in Moscow. Both sides took some steps to resume NATO contacts in early 2000.

Security policy: questions of doctrine

Since the collapse of the USSR, Moscow's security policy has gone through two basic evolutions. First, responding to the end of the Cold War and the nation's economic weakness, it highlighted economic and other non-military considerations. More recently, it has returned to a more traditional focus on a possible external enemy and the need for military preparedness. This time, the stimulus was NATO expansion, the (second) internal war with Chechnya, and, most important, NATO's air campaign in Yugoslavia.¹⁷

There is also a significant development concerning nuclear weapons: the abandonment of the stated policy of no-first-use early in the 1990's, and continuing emphasis on the maintenance of nuclear deterrence. While this has prompted some to speculate about irresponsibility or trigger-happiness, it is better seen as a sign of coming to grips conceptually with the prospect of long-term military weakness.^f

Following is a sketch of developments over the past decade:¹⁸

- 1992: Russian doctrine is still on automatic pilot from earlier periods. The U.S. and NATO (euphemized as A some states and coalitions≡) are still the main threats to Russia. There is no acknowledgment of internal threats or weaknesses.
- 1993: The Presidential Decree of November 2, 1993, alters the Cold War paradigm. It downgrades (but still keeps) the threat of

^f In fact, it is reminiscent (and maybe imitative) of the nuclear philosophy adopted by NATO in the 1950's, as it decided that its conventional forces were inadequate but that it could not invest the resources necessary to make them alone a credible deterrent.

large-scale foreign aggression (e.g., NATO). It adds threats from terrorism and proliferation of weapons of mass destruction. The decree also abandons Moscow's policy of no-first-use of nuclear weapons X a recognition of the weakness of its conventional forces.

- 1997: The National Security Concept approved in December reverses traditional priorities. Highlights:
 - AThe threat of large-scale aggression against Russia is virtually absent for the foreseeable future..... The main threats to Russia=s national security come from internal political, economic, and social spheres and are predominantly non-military.≡
 - Key relevant areas are the economy, environment, ecology, technology, and spiritual values.
 - NATO expansion eastwards is a threat to Russia's security. (This was written after NATO=s July 1997 Madrid decision to accept Poland, Hungary, and the Czech Republic).
 - Parts of this policy document are reminiscent of U.S. Government statements earlier in the decade, which listed economic security as a major component of national security policy.
- 1999-2000. The National Security Doctrine, elaborated in 1999 during the Yeltsin presidency and approved January 14, 2000, revises and stiffens the world view of its predecessor.¹⁹
 - Significantly, a major focus is on what is needed to regain national health and power. Items include economic reform, integration into the world economy, technological innovation, improved banking, and an end to corruption.
 - Externally, however, the main challenge to Russia is the trend of a Aunipolar world≡ built around the United States and its allies. Other international threats include NATO enlargement, NATO operations beyond its borders (codeword: Kosovo), possible foreign bases near Russia,

weapons proliferation, poor integration of the Commonwealth of Independent States (CIS), terrorism, and transnational crime.

- Foreign policy priorities include a multipolar world order (especially through the UN Security Council), stronger relations with the CIS, defense of Russian citizens abroad, peacekeeping, and prevention of nuclear proliferation.
- In the military sphere, armed forces readiness is critically low. Russia needs to be equipped to respond adequately to any threats that may emerge in the new century. It has the right to use all means, including nuclear weapons, to deter aggressors.

It is as yet too early to predict what effects Vladimir Putin's election as President on March 26 will have on Russia's defense policies and priorities.

Relations with the United States

The U.S. has a broad spectrum of ties with Russia. They fall into two categories: bilateral and international cooperation on issues of direct relevance to American national security and interests; and efforts to help Russia become a successful democracy. The U.S. Government is convinced that both are crucial—the first for foreign policy and security objectives, the second to foster Russia's development into a successful, cooperative member of the world community.²⁰

Bilateral and international cooperation

Arms control issues

Russia is the world's second nuclear power; arms control matters remain critical. Key issues include:

- Russian ratification of START II (the U.S. ratified in 1996), and negotiations on further reductions in nuclear

arsenals. (The Russian Duma voted to ratify Start II April 14, 2000.)

- Cooperation to stop proliferation of missiles, missile technology, and other weapons of mass destruction. Recently, the U.S. has pressed to curtail flow of technology to Iran among other countries.
- Abstention from further nuclear testing, something the Administration has pledged to do and asked Russia and others to abide by as well. (This step results from Senate rejection of the Comprehensive Test Ban Treaty.)
- Discussion of theater missile defense systems; a proposed U.S. National Missile Defense system; and revisions to the 1971 Anti-Ballistic Missile Treaty. (ABM revision is a neuralgic subject for Russia and some of the key European NATO partners, among others.)
- The Expanded Threat Reduction Initiative, announced in January 1999 in the framework of the Cooperative Threat Reduction (Nunn-Lugar) program. The initiative includes measures to help Russia tighten export controls, improve security over its arsenals, and provide opportunities for more than 30,000 former Soviet weapons scientists to participate in peaceful ventures. It also supports Russian destruction of chemical weapons stocks.

Global peace and European security

Russia is a permanent member of the United Nations Security Council (UNSC) and thus has veto power over many UN actions. Issues that have been the subject of intense discussion over the past year include:

- The Middle East peace process. Russia's cooperation is helpful and its titular involvement in the process is traditional; its opposition could be damaging.
- Gulf security and policy toward Iraq. The U.S. is pressing Russia to support effective UNSC action toward Iraq.

- Cooperation in the Balkans, including Bosnia and Kosovo. There have been policy disagreements on both. In both areas, however, Russian troops are working in cooperation with NATO.
- Russia's relations with NATO. The U.S. and other NATO allies consider the NATO-Russia Founding Act of 1997 an important way to maximize cooperation (alternatively: minimize hostility) with Russia and, through an institutionalized Russian link with NATO, give Russia a voice (but not a veto) on alliance activities.
- Russian observance of the limits on its conventional forces agreed under the Conventional Forces In Europe (CFE) treaty. (Russia has exceeded these limits, including in the context of the war in Chechnya.)

Bilateral matters

Current topics include:

- Terrorism. Both countries have had dramatic encounters with terrorism in recent months. Key episodes in Russia are several high-casualty bombings attributed to Chechen terrorists. President Clinton has said that "the United States stands ready to broaden and intensify our counter-terrorism cooperation with Russia." ²¹
- Russian organized crime, corruption, and money laundering, considered to be important issues in the U.S. as well as Russia.

U.S. programs in Russia

In addition to an extensive U.S. aid program and the presence in Russia of representatives of many key agencies of the U.S. Government, there is important involvement by non-governmental organizations and foundations. Key U.S. governmental programs include:

- Economic reform, focusing in the year 2000 on development of small and medium enterprises, alternative credit sources, and assistance to local governments in creating an investor-friendly environment.
- Under the rubric of democratic reform, programs that focus on election practices and development of political parties, the strengthening of non-governmental organizations, and establishment of U.S.-Russia partnerships.
- Health and social sector programs focusing on prevention of the spread of contagious diseases, increased access to health care, and reform of Russian orphanages.

Relations with other regional countries and institutions

Ukraine

- Relations in the early and mid 1990s were tense as Russia wrestled with the fact that predominantly Russian Crimea and Sevastopol were now part of Ukraine. Russian politicians resoundingly supported an independence movement by Crimean Russians.
- Over time, mature diplomacy by both governments brought results. In 1997 a set of bilateral agreements defined Crimea and Sevastopol as part of Ukraine. They also formalized a division of the Black Sea Fleet, as well as continued basing arrangements for the Russian Fleet at Sevastopol. (More details below.)
- The issue of Russian claim to Sevastopol is not dead, however. It is embedded in Russian political rhetoric, and a host of politicians—General Lebed, former Premier Primakov, and Moscow Mayor Luzhkov among them—have at one time or other used it to score an easy point. Mayor Luzhkov, a presidential contender, is thoroughly identified with the issue and routinely uses Moscow city money to support Russian activities in Sevastopol (where he is a local hero), including help to the Russian Black Sea Fleet and its personnel.

- Current political relations are close. Ukraine balances its political and defense moves toward the West with comparable moves with Russia. Russia's President Yeltsin, in turn, supported Ukraine's President Kuchma in his successful bid for re-election in late 1999. Russia's image in Ukraine has improved in recent years. Russian economic ties with Ukraine have strengthened as Ukraine's economy has faltered.

Bulgaria

- Russia has fully accepted Romanian and Bulgarian independence, in contrast with an ambiguous view of the nationhood of the former Soviet republics. The goal of NATO membership is unwelcome news for Moscow (Bulgaria, with its closer ties to Russia, is the more bitter pill of the two) but it, too, is acceptable—in contrast with similar goals for the Baltic nations, or Georgia or Ukraine.
- Russia made ham-handed warnings that Bulgarian membership in NATO would be punished by the cut-off of Russian gas supplies; they had no effect and seem now part of history.
- There are current strains over Kosovo (Bulgaria supported NATO's campaign and granted overflight rights). Russia boycotted the 120th anniversary of the Bulgarian navy in 1999.⁸
- Bulgaria's Navy Chief, Admiral Petrov, strongly supports Russian participation in regional exercises and activities.

Romania

Russia has come to terms with Romania's Westward course and quest for NATO membership. Relations are normal.

Moldova

⁸ There are old ties between the two navies. The first commander of the Bulgarian navy was a Russian naval lieutenant. His successor in the years 1883-1885, Lieutenant Zinoviy Rozhdestvenskiy, was later the admiral commanding Russia's ill-fated fleet annihilated by the Japanese at Tsushima in 1905.

Russian relations with Moldova have serious strains. The Trans- Dniester region of Moldova has a large Russian population and a active secessionist movement. Russian forces in Moldova have at various times seemingly encouraged this movement.

The Caucasus

The Caucasus is a key region for Russia and is seen from Moscow as two different parts. One part, the northern Caucasus, is within the traditional Russian nation that survived the breakup of the USSR. It has been the scene of violent conflicts with Chechnya in 1994-1996 and 1999-2000 and includes Dagestan and Ingushetia. The second part, southern Caucasus (or Transcaucasus), includes the newly independent states of Georgia, Azerbaijan, and Armenia. Historically, Russia's ties with the southern region have been better than with the north.

Moscow still does not have a coherent policy towards the region.^h Its ties with Georgia and Azerbaijan run into a barrier when their policies reflect a national interest different from Russia's. Its relations with Armenia build on that country's isolation and historical hostilities. Simply put, Moscow is not prepared to deal with these countries from the premise that they are permanently independent states, and tends to hedge its bets that they may someday reunite with some larger form of Russia.

Georgia

Moscow's ties with Georgia are complex and alternate between a quest for good relations and patent hostility.

^h An interesting comment on non-policy comes from Sergei Karaganov, Deputy Director of the Europe Institute of the Russian Academy of Science (RAN). At a symposium in Tbilisi in 1999, Karaganov said he disagreed that Russia was carrying out an aggressive policy toward the Caucasus in general and Georgia in particular. "On the contrary, this is the non-existence of a Russian policy on the Caucasus which, on occasion, is perceived by Georgia as aggression. This is not Russia's fault, as it is not carrying out a purposeful, constructive policy in Georgia." (American Embassy Tbilisi, "Recent Political Developments," #4, April 1, 1999. [Http://www.sanet.ge/usis/mission.html](http://www.sanet.ge/usis/mission.html)).

- President Shevardnadze was Mikhail Gorbachev's foreign minister in the key years that ended in dissolution of the Soviet Union. He is disliked by many Russians, particularly those within the military.
- Russia currently has four military bases in Georgia, although it has agreed to close two of them by July 2001. It also serves as peacekeeper in two of Georgia's secessionist regions.
- Russia presently needs Georgian help, or at least neutrality, to prevent Georgia from becoming a sanctuary for adjacent Chechnya. (Grozny, Chechnya's capital, is about 130 miles from Georgia's capital of Tbilisi; the two have a long and porous common border).
- Georgia faces multiple secessionist and autonomy movements and needs Russia's help to control these instabilities.
- Russia opposes Georgia's interest in joining NATO — an issue Shevardnadze injected into the April 2000 presidential election campaign, saying he would seek full membership if elected. Moscow sees Georgian membership in NATO as a threat to its national interests.
- Moscow is unhappy with the Baku-Ceyhan pipeline venture, agreed in late 1999, by which Caspian oil would transit Georgia to a Turkish Mediterranean port. Russia views the pipeline as a deliberate challenge to its former position in the region.

Azerbaijan

Relations are chilly. Russia is unhappy with the westward course Azerbaijan's authoritarian leader, Heidar Aliev, has carved out for his country.

- It dislikes his oil policies and adherence to the Baku-Ceyhan pipeline. It disagrees with his sectoral approach to Caspian Sea rights (Moscow prefers the principle of the indivisibility of seabed and waters).
- It resents his participation in the regional subgrouping known as GUUAM, consisting of Georgia, Ukraine, Uzbekistan, Azerbaijan,

and Moldova. GUUAM aims to undercut Russian dominance of the Commonwealth of Independent States (CIS), and Azerbaijan has recently floated plans for variations that are even less to Moscow's liking.

- In late 1999, perhaps motivated by the war with Chechnya, Russia made efforts to mend some fences with Azerbaijan.

Armenia

Except for Belarus, Armenia is probably the former Soviet republic with the closest relations with Moscow. In large part, the reasons are those that built friendship with Russia in the 18th and 19th centuries: Armenia's threatening neighbors, Turkey, Azerbaijan and Iran. Russia's bases in Armenia are welcome and popular, as is Russia's military cooperation. So is Russia's implicit support in Armenia's conflict with Azerbaijan over the enclave of Nagorno-Karabakh. Russian politicians occasionally mention the possibility that Armenia might join the Russian-Belarus union or otherwise move to rejoin Russia.

Turkey

Russia respects Turkey. It sees Turkey as an important trade and economic partner, as well as a key neighbor. It probably also views Turkey as a bulwark against Islamic fundamentalism in a broad region that encompasses the Caucasus, the Black and Caspian seas, and Central Asia.

There is also a negative side. Russia has viewed with anxiety and displeasure Turkey's efforts from the early 1990s to assert a dominant position as role-model in the Caspian region and Central Asia, and what Moscow sees as Turkey's tendency over the same period to treat the Black Sea as its special preserve. Moscow is unhappy with Ankara's efforts since 1994 to limit oil transits through the Straits. It also dislikes and feels itself the target of the Baku-Ceyhan pipeline project. It sees Turkey as in league with America (and maybe as Washington's local agent) in this venture.

Iran

From Russia's vantage, Iran is a neighbor and important regional power. There have been strains between the two countries at various times, and Russian concerns that Iran backs extremists and Muslim fundamentalist activities. Yet a present Moscow is actively fostering good ties and common policies with Iran. The two oppose the Baku-Ceyhan pipeline venture, each seeing it as aimed against its own interests. They dislike Azerbaijan's Westward leanings and interests in developing NATO relations. They view Western interest in the Caspian region as a threat. And they share the same seabed philosophy for the Caspian Sea, focusing on indivisibility and shared rights.²²

Black Sea Economic Cooperation and the Black Sea Naval Force

Russia participates in BSEC (The Black Sea Economic Cooperation pact), a Turkish initiative from 1992, and has taken up some confidence-building measures proposed in that forum and tried to build on them as global norms. It also takes part in the Black Sea On-Call Naval Force, a Turkish initiative from 1998 which is still in the discussion stage. It does not view either forum with enthusiasm and participates because, regionally, it is the thing to do.

Defense issues

Russia remains far below the U.S. in military spending and is the world's second nuclear power. Its armed forces, however, are in poor shape. The country's economic and social dislocations have severely affected personnel, equipment, and readiness over the past decade. The following examples, drawn from public sources, are illustrative. By one estimate, Russian defense outlays had by 1996-97 fallen to about one-sixth of peak Soviet levels in the late 1980s;²³ other observers put it at an even lower level. By 1998, the active-duty military had dropped to about 1.16 million in 1998, compared to 2.7 million in 1992.²⁴

The officer corps is shrinking dramatically as contracts expire without being renewed. Conscript is increasingly hard to manage as potential conscripts resist enrollment. Procurement has been largely frozen for years and equipment is deteriorating. Priority is for the maintenance of the strategic nuclear deterrent, land and sea-based.

In 1999, Russia had a small budget surplus, a hot internal war on its hands, and considerable soul-searching about its security concept and future defense capabilities. Not surprisingly, there has been renewed discussion on how to strengthen the military and increase the share of the budget that goes to defense. In recent months, Russian officials have suggested significant increases for Russia's strategic forces; for conventional forces; for military aerospace; and for the Russian navy. These pronouncements in effect promise something for everyone. Even if made from the top levels of government, they have to be treated with some skepticism.²⁵

In November 1999 Prime Minister Putin called for the restoration of Russia to a fitting place among the leading naval powers of the world. Russia's Deputy Prime Minister in charge of defense industry (Viktor Klebanov) said that allocations for the development of the Russian navy would be doubled in 2000 from 9% of state defense orders to 20%.

He also made clear, however, that Russia's naval forces would concentrate on coastal defense and on protecting economic interests in these areas. High priority would go to maintenance of Russia's nuclear submarine fleet. The building of surface ships will continue to be deferred, and practically no new ships will be built until 2007-2008. Meanwhile, Moscow will focus naval funding on the repair and modernization of radar stations and other electronic equipment.²⁶

Russia's navy

The Russian navy is in crisis. It has a depressed officer corps, a deteriorating and largely immobilized fleet, and a relatively low priority among the services. Downsizing is severe: force levels in 1999 were down almost 20% from a year earlier, at about 180,000.²⁷

Conventional capabilities are denuded. There is one active aircraft carrier, with a shortage of carrier-qualified pilots, assigned to the Northern Fleet. Submarine construction is all but halted, with various projects suspended or abandoned for lack of resources. Naval Commander-in-Chief Vladimir Kuroyedov announced in August 1998 that no new warships would be ordered for five years.²⁸

Of the navy's four fleets—Northern, Baltic, Black Sea, and Pacific—the Black Sea Fleet (BSF) has the lowest priority. It also has two disadvantages not shared by the other Russian fleets. One is that part of its assets have been transferred to Ukraine under the Black Sea Accords. Another is that much of the ground and air forces it used to support now belong to Ukraine.

Its nominal strength comprises 12 principal combatants, of which about half are operational, and some of which are more than 30 years old. The newest, and largest, ship in the BSF is the Slava-class cruiser *Moskva*, but it has been in refit since 1991. Others include a destroyer, frigates, and one Kilo-class submarine. Its overall serviceability is low. Days at sea are drastically limited by resource constraints, primarily fuel. As observed at its Sevastopol headquarters, the Fleet makes a depressing, rusting impression of visible deterioration.

The naval aviation that remains with the Russian BSF is estimated by IISS to number about 17 combat aircraft and 30 armed helicopters.²⁹

The Black Sea Accords

The status of the Crimean Peninsula and the venerable Port city of Sevastopol became the subject of sharp contention soon after Ukrainian independence in 1991. The dispute focused on whether Nikita Khrushchev's gift of Crimea to Ukraine in 1954 -- at that time, a symbolic gesture -- should be viewed as still valid. A related question was whether Sevastopol (which had a history of direct administration from Kiev by the Soviet Union) should be regarded as part of Crimea or treated as a special case. Ukraine claimed both Crimea and Sevastopol as its territories. Russian nationalists (and at times the Russian government) claimed both as Russian territory, with an especially strong case for Sevastopol as an integral part of Russia. Over the years, cooler heads

prevailed in both countries. Ukraine and Russia signed agreements in May 1997 that included disposition of the old Soviet Black Sea Fleet.ⁱ Full of charged issues, the negotiations barely focused on ships (a matter of such relatively low priority that an inventory of the vessels was not conducted until late in the talks). Key provisions³⁰ included:

- A 50-50 division of the Fleet's vessels, with the understanding that Russia would buy back some of the ships with cash;
- A 20-year lease for Russia of ports and land in and near Sevastopol for \$97.75 million a year, in addition to other payments. The lease is renewable for five years. The payments are to be written off against Ukraine's energy debt to Russia.
- Agreement that Crimea (including Sevastopol) is part of Ukraine.

The accords also specified that no nuclear weapons were to be deployed in Ukraine. Russian warheads were reportedly withdrawn to Novorossisk.³¹

The agreements raise some significant questions. One deals with Russia's plans for a future Black Sea Fleet headquarters, given the paucity of alternatives on Russian soil. Novorossisk, a crowded Russian port with increasing commercial demands, including oil, is a poor substitute. Another question concerns Ukraine's future views, given its position that Russia's lease is a temporary, transitional arrangement. Neither country is comfortable facing these issues. Today, they may seem remote; they can become highly topical as the 20th anniversary of the accords in 2017 approaches.

Sevastopol

Sevastopol is an unusual town. Long the home of the Soviet Black Sea Fleet, it is now marked by two constituencies. One is the largely unemployed shipbuilding, maintenance, and related industrial base. The other is the impressive number of retired naval personnel from all over the former Soviet Union who have clustered disproportionately at Sevastopol, with its Mediterranean climate and naval tradition. As a

ⁱ Finally ratified in early 1999, when the Russian upper house voted its approval.

whole, these retirees and their families deplore their Ukrainian status, consider Sevastopol a Russian town, and would rather be reintegrated into a new union led by Russia. They dislike NATO, resent the United States, and vote Communist.^j

Sevastopol is relatively isolated from Ukraine and the Ukrainian mainstream. It is even more removed from Russia.

The context for engagement

In other country profiles in this series, there is discussion of engagement contexts in such countries as Georgia, Ukraine, Bulgaria, and Romania. These countries welcome U.S. engagement activities and appreciate the chance to improve military skills and burnish their PfP credentials.

The considerations with Russia are different. Russia is in general not welcoming to U.S. presence or activities in the Black Sea—and is often resentful. Its ties with NATO are strained. Over the past year, it has avoided participation in key multilateral exercises. In this context, what are reasons for seeking to bring Russians into naval engagement activities?

- A basic reason of national interest is to increase U.S. ability to cooperate with Russia in the event of a regional crisis or catastrophe where Russia's help may be needed—and where it may be the natural partner. Contingencies include:
 - Evacuation of personnel, U.S. and other, in the event of political collapse and violence somewhere in the broad Black Sea - Caspian region, covering an area from the Balkans to the Stans of Central Asia.
 - Natural catastrophe is another possibility in a region with frequent and severe earthquakes.

^j Sevastopol has a special status in Ukraine and is administered from Kiev, separate from the rest of the Crimea. Its mayor, appointed by Ukraine's President, tends to be open to foreign visitors.

- Foreign policy considerations to bring the Russians into activities that promote stability in a region with a high level of war and other violence, as well as significant threat of illegal migration, terrorism, smuggling, and piracy.
- Build Russian involvement in activities that need multilateral participation, such as environmental or ecological efforts.
- Involve Russians in exercises when others -- for example, Ukraine, Bulgaria, or Georgia -- will be more comfortable politically with Russian participation.
- There is also a more general consideration. There is often relatively little to gain from involving Russia in engagement activities in the Black Sea. At the same time, there may be much to lose if activities are mishandled vis-a-vis the Russians. For this reason, we recommend inviting the Russians to participate in regional activities whenever possible, even though their acceptance rate is low. This is something other littoral countries such as Bulgaria and Ukraine favor, and a practice recommended by the present and previous U.S. ambassadors to Georgia.
- Over time, a pattern of joint U.S.-Russian activities would build acceptance of U.S. presence in the Black Sea as normal and integrate Russia into regionally stabilizing activities.

Suggested activities

The following are activities that are potentially appealing to both the U.S. and Russia:

- Mutual disaster relief. This could include a joint evacuation theme.
- Search and rescue. The Russians like SAR, are good at it, and might enjoy matching skills.
- Counter-terrorism. Top levels in both governments have underscored the priority of this area, and President Clinton and FBI Director Freeh have spoken about cooperation with Russia.³² One possibility would be an exercise involving Seals and Russian Spetsnaz forces.

- Environmental work. Elsewhere in the project, we suggest a possible multilateral effort in which the U.S. Navy and the Department of Energy join forces to develop civilian-navy cooperation among Black Sea nations in dealing with oil spills. (See Ukraine country profile.) At present, most regional navies regard such cooperation with disdain. Russian involvement is timely given the increasing transit of oil through the Black Sea, and the growing oil role of Novorossisk, Supsa, and other ports.
- Coastal surveillance.

Bear in mind

Apart from political considerations, there are two reasons why the Russians decline to participate in exercises or other multilateral activities:

- One is resource-driven and may have to do with fuel and equipment.
- Another is a point of pride. This can be, variously: not to seem to be led in front of others by the United States; or be shown up professionally; or be put in a category with what it considers as lesser navies, NATO or other; or be allowed to take part only in non-NATO parts of a larger exercise. A related consideration is reluctance to accept U.S. funding for engagement activities.

For such reasons, Russia may at times be more receptive to a bilateral format with the United States.

Endnotes

- ¹ *The Washington Times*, September 19, 1999.
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- ³ This assessment draws on Thomas E. Graham, Jr., "A World Without Russia," Jamestown Foundation conference, June 1999.
- ⁴ Graham, p. 13
- ⁵ *The Washington Post*, December 13, 1999, p. 24.
- ⁶ Remarks by Russian Ambassador to Romania Valery Kenyeikin. *Reuters*, June 30, 1998. (<http://www.nando.net>)
- ⁷ "A Half-Baked NATO Idea," *Orlando Sentinel*, July 20, 1999.
- ⁸ Edward Walker, *No Peace, No War in the Caucasus*, Harvard, 1998.
- ⁹ *The Washington Post*, November 23, 1999, David Hoffman, "Russia Accuses U.S. of Designs on Caucasus"; *Jamestown Monitor*, December 2, 1999.
- ¹⁰ Peter H. Stone, "Caspian Wells come in for K Street," *National Journal*, 3/13/99; *Time Magazine* cover story, "Caspian Black Gold," June 29, 1998.
- ¹¹ *The New York Times*, November 19, 1999, p. 1; *The Washington Post*, November 24, 1999, p. 23.
- ¹² Paul Starobin, "The New Great Game," *National Journal*, 3/13/99.
- ¹³ www.defenselink.mil - September 11 & 15, 1997.
- ¹⁴ Radio Free Europe/Radio Liberty (RFE/RL) *Newsline*, November 16, 1999.
- ¹⁵ Interviews in Kiev, October 1999.
- ¹⁶ For example, see David Stern, "Caucasus Trio Ask NATO Intervention," *The Washington Times*, July 10, 1999.
- ¹⁷ *Jamestown Monitor*, October 12, 1999.
- ¹⁸ This survey draws extensively on the excellent essay by John Ericsson, "Russia Will Not be Trifled With: Geopolitical Facts and Fantasies," prepared for an Oxford University symposium in June, 1999.
- ¹⁹ *The New York Times*, January 14, 2000; "Highlights of Russia's Security Declaration" (Reuters), *New York Times*, January 15, 2000.
- ²⁰ For recent statements of U.S. policy toward Russia see Secretary of State Madeleine Albright, "Address on U.S. Russian Relations at the Carnegie Endowment for International Peace," September 16, 1999; and Deputy Secretary of State Strobe Talbott, "Russia: Its Current Troubles and Its On-Going Transformation," Statement before House International Affairs Committee, October 19, 1999.
- ²¹ Madeleine Albright, Joint Press Availability with Russian Foreign Minister Igor Ivanov, New York, September 20, 1999.
- ²² *Jamestown Monitor*, January 20, 2000.
- ²³ CIA World Factbook, 1999.

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- ²⁴ International Institute for Strategic Studies (IISS), *The Military Balance, 1998-99*; The Economist Intelligence Unit, *Russia: Country Profile, 1998-99*.
- ²⁵ *Jamestown Monitor*, November 29, 1999.
- ²⁶ Ibid.
- ²⁷ IISS, cited above.
- ²⁸ A. D. Baker, editor, "Combat Fleets of the World," *USNI Proceedings*, March 1999.
- ²⁹ IISS, cited above.
- ³⁰ See Tyler Felgenhauer, *Ukraine, Russia and the Black Sea Fleet Accords*, Woodrow Wilson School Case Study 2/99, Princeton University; and James Sherr, "Russia-Ukraine Rapprochement?: The Black Sea Fleet Accords," *Survival*, No. 3, 1999, pp. 33-50.
- ³¹ *Jamestown Monitor*, August 11, 1998.
- ³² *Jamestown Monitor*, September 16, 1999. The reported comments were shortly after the bombing of an apartment building in Moscow September 14. Prime Minister Putin, who met with President Clinton in New Zealand at the same time, summarized the meeting by saying, "We have a common enemy -- international terrorism." See also Madeleine Albright, Joint Press Availability with Russian Foreign Minister Ivanov, New York, September 20, 1999.

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Turkey

Summary

- Post-Cold War Turkey has gone through a troubled period of adjustment to a new security environment. Its experiments with pan-Turkic initiatives in Central Asia did not pan out, and for most of the 1990s it was rebuffed by a Europe intent on creating an identity that seemed to have no room for Turkey.
- Domestically, political Islam was on the rise in the 1990s, and Turkey's efforts to suppress its Kurdish population drew harsh criticism from the international community.
- Turkey enters the new century on a more hopeful note. The conflict between secularism and political Islam has receded (although it could return). The Turkish state has won military victories over Kurdish separatists, and the most powerful Kurdish separatist has been captured, although a political solution to the conflict is still not in sight.
- Most encouraging of all, the European Union reversed itself on Turkish membership at the end of 1999. The way ahead will be difficult and long, but the prospect of achieving Ataturk's dream of joining Europe gives Turkey powerful incentives to accomplish needed political and economic reforms. The stakes are high: if the effort fails, Turkey could become a source of instability.
- Turkey's relations with the United States are as good as they have ever been. President Clinton's November 1999 visit, accompanied by statements of Turkey's pivotal importance to U.S. interests, evoked a warm response. Turkey provides extremely valuable military access to U.S. military forces for operations in the Persian Gulf and, potentially, other areas.

- Turkey's regional relations are mixed. It has threatened military force in carrying out coercive diplomacy toward Syria and Iraq, and pays substantial costs for its continued support for sanctions against the latter. It derives clear benefits from its close relationship with Israel, although this has not made it easier to expand its relations elsewhere in the Middle East.
- Centuries-old fear and distaste toward Russia remain despite that country's economic and military disarray. Turkey sees the Black Sea as an arena in which it can pursue initiatives toward cooperative security structures that include Russia, and bind it in codes of conduct that will diminish the likelihood that it will again threaten Turkish interests.
- Elsewhere in the Black Sea, Turkey has good to close relations with former adversaries and newly independent states. It is an energetic supporter of NATO membership for Romania and Bulgaria; a strong supporter of independence for Ukraine; and has excellent relations with Georgia, to which it has provided military and economic assistance. It would regard Russian dominance or absorption of either as a serious blow to regional stability.
- Turkey's armed forces are in the midst of massive modernization programs. The navy is benefitting from an increased share of the budget, and expects significant improvements in platforms and weapon systems.
- Turkey will welcome continued or expanded United States Navy engagement in the Mediterranean. As it acquires improved capabilities the Turkish navy will be a valuable partner and potential force multiplier for the Navy. But Turkey would not welcome expanded peacetime Navy presence for engagement in the Black Sea. It would see this as competing with its own initiatives, and as likely to provoke Russian retaliation.
- The United States Navy should give high priority to operational engagement activities with Turkey in the Mediterranean, with the aim of improving the capabilities and readiness of the Turkish navy, furthering military-to-military relations, and making Turkey a more effective coalition partner.

- In the Black Sea, the Navy should take account of Turkey's wish to pursue shared goals independently, and while making clear that the United States has its own interests there, consult closely with Turkey about how to handle Russia's reactions.

United States policy goals

Turkey is a pivotal country. As Richard Holbrooke, now U.S. Representative to the United Nations, put it: "Turkey after the Cold War is equivalent to Germany during the Cold War – a pivotal state where divergent interests intersect." President Bill Clinton reiterated this view of Turkey in a major policy speech at Georgetown University just before making an official trip to Turkey in early November 1999. In this context, both Turkey's domestic environment and foreign and security policies/behavior are of considerable importance to the West generally and the United States specifically. Over the past five decades the United States has developed a set of policy goals towards Turkey. These include:

- The emergence of a strong, stable, and prosperous Turkey
- The development of Turkey along democratic and secular lines
- The maintenance and deepening of Turkey's security ties to the West.^a

^a In the words of U.S. Ambassador to Turkey Mark Parris, US goals regarding Turkey are: "a democratic, stable Turkey, with its territorial integrity uncompromised in any way"; a "prosperous dynamic Turkey that can be an engine for economic development in the region"; and "a Turkey firmly grounded in the West, and that will continue to play a responsible, constructive role in a turbulent, vitally important region." *Address at TESEV/ATAA Conference*, Istanbul, Turkey, June 21, 1999, p.2.

The domestic situation: political and economic considerations

Background

Much has transpired in the Turkish political scene since 1994, when CNA did its last research on that country.¹ On October 29, 1998, the Turkish Republic celebrated its 75th anniversary with an impressive show of nationalist pride and demonstrations of allegiance to the country's founding father Mustafa Kemal—"Ataturk," or father of the Turks. The ostentatious display could not disguise the fact that Turkey is suffering from an intense crisis of national identity and a lack of self-confidence.

Mustafa Kemal set out to make post-Ottoman Turkey everything that the Ottoman Empire had striven for but failed to achieve: to become a successful and *modern* state. Ataturk was determined to both modernize and "Europeanize" his country. He established a republic, put the economy under the direction of the state, and in his most far-reaching reform he broke the hold of the religious classes over society and set up a secular state.²

The flaws of Ataturkism have become readily apparent over the course of time. As two observers of Turkey cogently point out:

He (Ataturk) succeeded in imposing drastic reforms, but never completely set the heart of his country at rest. He led Turkey on the path of westernization, but left it stranded halfway to full democratization, because, deep down, he was not a democrat. He imposed a secular state, yet never won over those entrenched in their Islamic beliefs.³

First, Republican Turkey has been characterized by the existence of a "strong (central) state and army and weak parties." Ataturk believed that Turkey needed a strong authoritarian hand, a powerful centralized structure – *devlet baba* (Father State) – whose task was to provide for all the needs of the people. Paternalism worked well for a long period of time; but the growth of Turkish civil society, the proliferation of non-governmental organizations and media and other independent associations have diminished people's reliance on the state.

Second, politics in Turkey are played out on a field controlled by the armed forces. The military acts not only as the ultimate guardians of the constitution, but also as referees, discreetly setting the boundaries of political activity.⁴ Four times in the past 40 years, in 1960, 1971, 1980, and 1997, the military has intervened against the politicians because of their “irresponsibility” and inability to rule effectively.

Third, Turkey lacks a strong and established multi-party system, a prerequisite for the effective functioning of a representative democracy. In the aftermath of World War Two, the largely single-party Kemalist State was forced to loosen the reins of authoritarianism. The formation of the Democratic Party in 1946 set the stage for the emergence of a multi-party system in Turkey. However, over the past half century the Turkish multi-party structure has proven to be weak. Party leaders made decisions alone and arbitrarily and strove to dominate their respective parties by sheer force of personality. The capriciousness of the party political leaders was reflected in the failure of the parties to develop effective programs that addressed the needs of their constituents. Patronage became the norm: the party’s main function is to gain access to state resources that can be distributed to loyal elements at the local level.⁵ And when the Turkish military intervened to save the country from the failures of the politicians, it would invariably ban politicians from politics and abolish their parties, interrupting the continuity of political development.

Fourth, socioeconomic tensions have increased dramatically over the past decade and a half. In the mid-1980s, under the charismatic reform-minded Prime Minister and later President, Turgut Ozal, the country began an economic turn-around based on increased reliance on market forces, export-led development, lower taxes, privatization of state economic enterprises, and integration into the world economy.⁶ Since then economic success has constituted one of Ankara’s defining national priorities because it promotes social stability and general prosperity, enhances Turkey’s role as a model for other Muslim countries, and draws Turkey closer to the economically advanced Western states.

As a result of the Ozal-inspired reforms, Turkey chalked up impressive economic gains. Turkey was rapidly integrated into the world economy.⁷ But real and consistent economic success has eluded Turkey over the past 15 years. Turkey’s weak parties have not been able to consummate the

reforms. Turkey has remained stalled halfway between a *dirigiste* state economy and a full market economy.⁸ The political parties have not been able to deal with rapid and uncontrolled urbanization that has seen the influx of masses of rural poor into shantytowns in the cities. Nor have they managed to lessen the growing income disparities between those who have made it and those who failed during the period of economic growth.

The bankruptcy of the national systems of social security and health care over the course of the 1990s has yet to be addressed by the government. Persistent high inflation has made the Turkish lira one of the most worthless convertible currencies in the world, and wiped out much of the personal savings of the middle class.⁹ No party has been able to implement development programs that would bridge the growing regional disparity between the more-developed western and less-developed eastern parts of the country, a situation that has essentially given rise to the existence of two Turkeys. After waxing lyrical on the dynamism and cosmopolitanism of western Turkey, an analysis in *The Economist* dramatically captured this state of affairs:

But travel to the east in Turkey and the picture changes. The people are poorer, the roads degenerate, and the newly built-up areas look more like refugee camps – which, often enough, is what they are, filled with people fleeing war or poverty, waiting for the chance of a job further west and a life in peace. When, eventually, you get to the eastern borderlands; you find emergency law, military occupation and civil war. Across the borders lie Syria, Iraq, Iran, Armenia, and across the Black Sea, Russia – neighbors who would make anyone nervous. If Turkey's head and shoulders are thrusting into the brave new world of global markets and universal culture; its legs are firmly stuck into history, geography, war and poverty.¹⁰

Fifth, no party has been able to gain a political majority since 1991. Governments have been based on short-lived coalitions, often set up between parties with diametrically opposed ideologies. Domestic politics have degenerated into a mere power struggle in which short-term tactical considerations are paramount. Political corruption is rampant, and ties between politicians, officials and organized crime have mushroomed.¹¹

Internal security threats

As if the problems described above that are besetting the Turkish polity are not enough, the country continues to suffer from serious internal security threats. The two main internal threats as defined by the National Security Council and the Turkish General Staff are political Islam and the Kurdish insurgency.

The rise of political Islam

One of the key Atatürkist principles was secularism or separation of religion and state. This principle has been deeply ingrained within the Kemalist political soul. This was reflected in many political, social and cultural edicts designed to ensure that secularism took root. Beginning in the 1960s, strictures against Islam were loosened somewhat, often at the initiative of the secular elite and the military, who sought to enroll religion against ideologies of the left and extreme right.¹² Islamic political parties emerged at that time.

In the 1990s, the Welfare Party of Necmettin Erbakan made deep inroads among the impoverished masses in the *gecekondu*—shantytowns—on the peripheries of the main urban centers, and among discontented members of the more traditional and conservative sectors of the middle class. It offered a political vision that was efficient, action oriented and free of the taint of corruption and scandal.¹³

Erbakan finally managed to emerge as Prime Minister in a weak coalition government with Tansu Ciller's True Path Party.¹⁴ The Islamist nature of the party frightened the established Kemalist state elite, however, composed of the upper echelons of the state bureaucracy, the judiciary, and the senior officers of the military.¹⁵ The military, in particular, was deeply perturbed by the growing phenomenon of Islamization within the rank and file and the officer corps since the early 1990s.¹⁶ Some of the strident statements of Erbakan's colleagues and subordinates, as well as the Prime Minister's foreign policy initiatives (e.g. promotion of friendship with Iran), further disturbed his opponents.

Determined to stop what they saw as a creeping erosion of the country's secular laws and traditions, the military tried to impose a series of

measures on the Prime Minister that would have cracked down on the process of islamization.^b Erbakan promised to implement the measures but ultimately dragged his feet because he could not do so without being unfaithful to his ideology and without alienating his constituency.¹⁷ After a period of intense pressure on Erbakan, during which the military acted as a *bona fide* interest group in the political process and garnered wide support among a substantial element of the secular population, Erbakan was ousted from the Premiership in June 1997.¹⁸ In February 1998, the Welfare Party was closed down by the Constitutional Court and Necmettin Erbakan was banned from politics for five years.

The *Fazilet Partisi*, or Virtue party, its successor, is led by moderate and technocratic Islamists. They have gone out of their way to reach out to others in the political arena, even though their party is still facing closure orders. The clash between political Islam and secularism has receded somewhat over the past 18 months.

The Kurdish problem

Turkey's 12-15 million Kurds represent a distinct obstacle to the country's conception of itself as a unitary centralized state populated by 65 million "Turks." It has become increasingly apparent that Ataturkism has never really succeeded in its agenda of "turkifying" the sizeable ethnic minorities that found themselves citizens of the new republic. The Kurds are the largest such group, and their quest for recognition of a separate identity has been among the most prominent and among the bloodiest in modern Turkish history. The armed struggle—"separatist terrorism" in the eyes of the Turkish state—that began in the early 1980s under the leadership of the PKK (Kurdish Workers Party) is the latest and most violent round in their decades-old effort to gain acceptance of their distinct national-ethnic identity.

The Kurdish insurgency has had a negative impact on both Turkish domestic life and external relations. First, it has proved to be an obstacle to the further democratization of political life in the country: it has led to

^b At a marathon session of the National Security Council in February 1997 the senior generals presented Erbakan with a 20-point list of measures designed to counter the trend towards Islamization. The military leaders threatened unspecified sanctions if the government failed to enforce the measures.

the deaths of 30,000 people and widespread extra-legal executions and massacres, and above all promoted the further involvement of the military in political life. Second, it has harmed Turkey's relations with her neighbors and more importantly with her Western partners.^c The conflict has been exacerbated by the fact that the civilians have abdicated their responsibility and allowed the military almost complete freedom of maneuver in dealing with the conflict. Responsibility for combatting the PKK shifted from the *Jendarma* (Gendarmerie) to the regular armed forces. As the self-proclaimed guardians of the Kemalist unitary state, the Turkish General Staff (TGS) was less likely than the civilians to grant the Kurds any cultural and political rights. On the contrary, the senior officers sought a military solution. The spiral of violence escalated in the 1990s.^d

By 1997 highly mobile special units had achieved considerable success in hunting down PKK units and had reduced the extent of territory controlled by the organization.¹⁹ In early 1999 intelligence agents and military commandos captured PKK Leader Abdullah Ocalan in Nairobi, Kenya. The capture of Ocalan proved to a stunning blow to the fortunes and morale of the PKK.

While in jail, Ocalan declared that he was renouncing the use of force and would be content with cultural and political autonomy for the Kurds within a unitary Turkish state. He called upon members of the PKK to lay down their arms or withdraw from Turkey. In late 1999 many guerilla leaders and their forces had begun a process of "unconditional surrender" to Turkish security forces in accordance with Ocalan's call in August 1999 for the PKK to withdraw its forces outside of Turkey.

The future for the PKK looks mixed. The military maintains unrelenting pressure on the remnants of the guerillas in southeastern Turkey.²⁰ Turkey has won a series of military victories over the PKK, but this does not mean that a solution to the Kurdish problem is within sight.²¹ Many PKK units are still intact and there is no shortage of recruits. Furthermore,

^c See below.

^d The collapse of Baghdad's authority in northern Iraq allowed the PKK to use Iraqi territory as a safe haven. The result was that Turkish forces initiated and steadily escalated a strategy of hot pursuit into northern Iraq. Often the TGS would engage in such operations without informing the civilian authorities, or doing so at the last moment.

several members of the PKK leadership view Ocalan as a traitor to the Kurdish cause who is now in the pay of the Turkish State.

More ominously, the PKK may fracture into splinter groups, with radical elements carrying out their threat to unleash a storm of urban terror in Turkish cities that would strain the political stability of the country.²² Turkey's apparent inability to offer the Kurds group rights as citizens of the Turkish state bodes ill for the stability of the country. It is a problem in Turkey's relations with the EU states, most of which have allowed a significant devolution of authority in favor of regions and of ethnic minorities.

Prospects for political stability and the impact on foreign policy

The ouster of the Islamist Prime Minister, Erbakan, proved to be a watershed event in Turkish politics. The military had intervened decisively in the political process yet once more; however, the military had not found it necessary to seize power, much to the relief of the majority of the population and no doubt of the senior officer class. By making it clear that it would not tolerate the return of an Islamist Premier, the TGS showed itself to be the real power behind the scenes. But it looked to the secular mainstream parties to return the country to normalcy.

Weak coalition government followed Erbakan's ouster. Unable to achieve reforms and divided internally, the government of Mesut Yilmaz announced an early general election for April 1999. Shocking most observers, the Democratic Left Party (DSP) of veteran politician Bulent Ecevit came in first with 22.3% of the vote, but his victory was overshadowed by the spectacular rise of the re-invented, former fascist National Movement Party (MHP) founded by Alparslan Turkes. Over 18% of the electorate voted for the MHP, headed by Devlet Baheli, the technocratic economist largely responsible for its growing respectability. A coalition government was formed between the DSP, the MHP, and Mesut Yilmaz's Motherland Party, which came in third, with 13% of the votes. Ecevit emerged as Prime Minister.

Together this three-party coalition controls two-thirds of Parliament. It is made up of strange ideological bedfellows. Both the DSP and the MHP are statist in orientation, in that they both prefer strong state control of the economy. Their strength lies among public employees and the rural middle class. However, their similarities stop there.

- The DSP adheres to a leftist orientation, is anti-clerical and eschews nationalist symbolism. The DSP supports a Western orientation for Turkey. But it has proven schizophrenic in that whenever it has felt that the West had slighted Turkey, it has adopted a hostile "anti-imperialist" stance. In the past the United States was often the butt of the DSP's anti-Western diatribes. More recently the DSP has shed much of its Cold War leftist ideology.
- The MHP is a rightist party that is highly nationalistic and has often attracted those of Islamic persuasion who are, nonetheless, repelled by the very strong religious orientation of the Islamist parties. The MHP supports Turkey's pro-Western orientation, but believes that Turkey should also develop extensive relations with its kinfolk in the Caucasus and Central Asia.
- The Motherland Party (*Anavatan Partisi* or ANAP) is a market-oriented and pro-Western party supported by Turkey's prosperous middle class, business people, journalists and secular intellectuals. It was once a prestigious party but lost much of its stature because of corruption.

Pundits predicted that this mismatched coalition would fail. Despite similar social bases, the DSP and MHP are ideological opposites, and their respective adherents fought bloody battles in the streets in the 1970s. ANAP regards both parties with some disdain, with the MHP bearing the brunt of its patrician distaste. To date the pundits have been proven wrong in their prognostication that the coalition would fail. Ecevit and Bachelı are not bitter antagonists, and have taken a pragmatic approach. They agree on many issues, both domestic and external. Both men, and their parties, follow a nationalist ethos.²³ As a result the coalition has been able to function relatively effectively, in contrast to previous coalitions.⁶ The

⁶ The major embarrassing failure of the government to date has been its ineptitude during the earthquake of August 1999.

coalition has moved with alacrity to implement some sorely needed socioeconomic reforms.

The military has stayed out of policy to the extent that the government does not have to look constantly over its shoulder or fight off military demands. Paralysis has been avoided. On the other hand, a significant set of potential weaknesses lies below the surface. The ability of the Ecevit government to make truly unpopular decisions – ones that could threaten the coalition – remains to be seen. The power of the military remains intact. Indeed, Ecevit does not even dare contest the military's defense procurement plans. Nonetheless, the fact that the coalition functions has also contributed to a significant improvement in Turkey's security environment, regional and international relations over the past year.^f

Security perceptions and concerns

Turkey has the second largest military forces in NATO after the United States, with a total of 639,000 active personnel. Traditionally one of the most backward militaries in the alliance, these forces have been in the throes of a vast modernization program since the mid-1980s. The end of the Cold War did not mean the end of threats for Turkey. On the contrary, while there is no longer a monolithic threat as represented primarily by one state, the USSR, Turkey is now faced with a myriad number of threats on and close to her borders.²⁴

The major immediate external military threats are Greece, Syria, and Iran. Greece is the only one among these three powers that has access to advanced conventional weapons. Greece is currently in the process of a major military modernization program for deterrence against its perceived threat from Turkey, focused on naval and air forces.²⁵

Syria and Iran do not have large-scale access to advanced conventional weapons, but both have battle-tested armies and large inventories of weapons of mass destruction, including chemical and biological weapons and large inventories of ballistic missiles. Turkey is particularly worried

^f It should be noted that Turkey's prickly nationalistic ethos as represented by the three coalition partners can be a negative factor if Turkey finds itself slighted by foreign powers.

by the ballistic missile capabilities of her southern neighbors. In this context, she is seeking to acquire a defensive capability against ballistic missiles. She may be a potential buyer of the Israeli Arrow anti-missile missile that recently became operational. It has also been speculated that Turkey may seek to acquire ballistic missiles as a deterrent against being threatened by such weapons.

Over the longer term, Turkey sees Russia as a significant threat to its security. Turkish security officials and academics told us that while Russian military capabilities are at a low ebb now, Russia is bound to recover economically, and to use the threat of military intervention again to meddle in its southern border regions.

Iraq and the Greek Cypriots are seen as second-order threats. Turkey is no longer worried by Iraq's conventional military capabilities, which were devastated by the Gulf War. However, it continues to worry over Iraq's residual nuclear, biological, and chemical capabilities and supports the international community's attempts to put a halt to these programs. The Greek Cypriots have modernized their military capabilities over the past several years. Furthermore, Nicosia has developed a strong military relationship with Athens.²⁶ This threatens to complicate Turkish efforts to defend the Turkish part of Cyprus.

Relations with the United States

As friends and allies, Turkey and the United States share similar strategic views on many issues. During the Cold War, relations were primarily strategic. The United States saw Turkey as an important ally in the struggle against the Soviet Union, and established a number of bases on Turkish soil. At the height of the U.S. military presence in Turkey, there were about 20,000 military personnel stationed there. But relations were not free of complications and tensions. The United States disapproved of the Turkish invasion of Cyprus in 1974, and the U.S. Congress instituted an arms embargo on Turkey. As a result, bilateral relations cooled considerably. During the Reagan presidency, Turkey's strategic value in the struggle against the "evil empire" was revived.

The end of the Cold War did not mean the devaluation of Turkey's strategic importance. Turkey was a key ally in the struggle against

Saddam Hussain's ambitions. The NATO air base in Incirlik has been pivotal in allowing the U.S. military to maintain pressure on Iraq.

Bilateral relations under the first Clinton Administration were distant, given the new administration's focus on human rights abuses and other perceived Turkish transgressions. Turkey saw the first Clinton administration as influenced by anti-Turkish Greek and Armenian lobbies. A turnaround occurred in the second Clinton administration, however, with a new emphasis on Turkey as a pivotal country for U.S. and Western policies. European rejection of Turkey worried the United States, as did the rise to power of an Islamist Prime Minister who indicated his intention of promoting Turkey's relations with the Islamic world and Middle Eastern states. Over the past two years diplomatic and economic relations have improved dramatically. Turkish Prime Minister Bulent Ecevit has shed most of his earlier, viscerally anti-American posture, and considers the United States an important strategic and economic partner.

For the United States, Turkey's importance derives from many factors.

First, Turkey is an important security partner for the United States. The end of the Cold War, during which Turkey was a bulwark against Soviet expansionism, did not diminish this importance but merely re-focused it in different directions. Turkey remains a valuable partner and host to U.S. forces in stabilizing the Gulf and maintaining pressure on Iraq. Turkey is also the southeastern anchor for NATO. Its active military role in the conflicts in the Balkans supports U.S. goals.

Second, as a secular Muslim country attached to the West, Turkey belies Samuel Huntington's famous thesis of a *clash of civilizations* between the West and the Islamic world which Clinton Administration officials have been at pains to downplay. The United States has often been faced with the hostility of segments of the Islamic world for a variety of reasons. A strong bilateral relationship with Turkey not only diminishes the force of Huntington's thesis but also is proof that the West and Islam can co-exist peacefully.

Third, Turkey plays an important role as an energy bridge between the rich natural resources of the Caspian Basin and Central Asia, and the Western world. The United States and Turkey have converging interests

in that both countries have pushed strongly for the construction of an oil pipeline from Baku in Azerbaijan to the Turkish Mediterranean port of Ceyhan. Many oil companies have balked at the expense of the proposed pipeline arguing that it is not economical. Indeed, U.S. and Turkish interests are largely strategic and diverge quite substantially from those of the oil companies, which are driven by economic considerations. Turkey wants the pipeline constructed for both environmental and strategic reasons. It does not wish to see a further increase in tanker traffic through the Turkish Straits. It also believes that the construction of the pipeline would reduce the independence of Caucasian states such as Georgia and Azerbaijan on Russia. The United States shares Turkey's environmental and strategic concerns. However, the United States also wants to ensure that no Caucasian pipeline crosses Iran, a country with which the United States continues to have serious political differences. The pipeline issue may become a source of bilateral tension between Turkey and the United States if the project fails to take off for economic reasons or changing geopolitical factors. From the vantage point of early 2000 it seems questionable whether the pipeline will be built any time soon, because of the lack of financing. Moreover, if U.S.-Iranian relations improve significantly in the next few years, the United States might drop its objections to the re-integration of Iran into the global economy. Iran may then become the most viable contender to provide a main pipeline route for the transport of Caspian oil to external markets.

Fourth, Turkey's economy has great potential. In 1996 the Commerce Department designated Turkey as one of ten "big emerging markets."²⁷

Fifth, Turkey controls the Straits to the Black Sea, and is pursuing efforts to stabilize that region. She is a force for stability in the Black Sea. However, while U.S. and Turkish views converge, they may have differences as to how best to achieve this stability. It is in this light that we must examine Turkey's reluctance to see the USN get actively engaged in the Black Sea.

Relations with other regional countries and the European Union

Relations with Russia

As noted above, Turkey's traditional fear of its huge northern neighbor persists. Russo-Turkish relations have been complex, with geography and history predisposing them more toward conflict than toward cooperation. Turkey has often found itself at the losing end of these wars. It lost control over the Black Sea and much of the territory surrounding it to the Russian Empire in the nineteenth century. During the Cold War the Black Sea was dominated by the Soviet Union with its strong Black Sea Fleet. Ankara in the 1990s attempted to manage its relations with Russia in a peaceful and friendly manner, and create incentives for Russia to cooperate.

In the Black Sea and the Caucasus, Russia and Turkey view each other as both partners and strategic rivals. Bilateral economic and commercial relations have grown over the past decade. Two-way trade—both official and unofficial—amounts to \$12-\$14 billion per annum. Turkey buys major quantities of natural gas from Russia. In 1996 Turkey imported about 6 billion cubic meters (bcm) of natural gas from Russia. Turkish energy officials have predicted that the amount of natural gas imported from Russia will rise dramatically by 2010. In late 1997 Turkish and Russian officials signed a \$3.3 billion agreement to launch a project, named "Blue Stream," to lay a gas pipeline under the Black Sea from the Russian town of Dzhugba to the Turkish Black Sea coast and on to Ankara. The line would carry 3 bcm/year in 2000, and increase to 16 bcm/y by 2010.

Some Turks are opposed to the idea of increasing their dependence on Russia for energy resources. Others believe that growing economic and commercial interdependence between Russia and Turkey, and linking Russia to the outside world generally, would contribute to responsible Russian behavior in the region.

There are 30,000 Turkish workers—mostly in construction—in Russia and Turkish businesses have invested billions of dollars in the

construction sector. There is also considerable tourism in both directions. This web of economic relations has created a business lobby in Turkey that believes in furthering relations with Russia.

At the same time Russia and Turkey are geopolitical rivals, and bilateral relations have been characterized by serious differences over a number of key issues. Russian officials still see Turkey as a bastion of NATO and have a tendency to believe that most multilateral initiatives by Turkey are designed to further Western and Turkish interests at the expense of Russia. Russian leaders assert that NATO activities in the Black Sea are provocative, and many Turks are sensitive to this perception. As the sole Black Sea NATO member, Turkey bears the brunt of Russian wrath. On a number of occasions in the early 1990s Russia accused Turkey of trying to promote NATO expansionism in the Balkans and the Black Sea at the expense of Russian interests.²⁸ During the Armenian-Azeri conflict over Nagorno-Karabakh, Russia and Turkey came down squarely on opposite sides. Furthermore, Turkey's promise to Azerbaijan to send troops if Armenia invaded the enclave of Nakhichevan elicited a warning from the Russian military that such an action could lead to another world war. This dramatic statement was met with consternation in Turkey.

Many Turkish officials and academics see Russia as an erratic and mercurial power at this juncture in its turbulent post-Soviet history. Consequently, it cannot be expected to follow uniformly rational or stable policies.²⁹ Turks view the second Russian war with the Chechens as being motivated by both strategic and geopolitical reasons (a quest to control territory over which oil pipelines might run) and emotional or atavistic factors (revenge for the defeat in the first Chechen War of 1993-1994).

In the first Chechen War, Turkey had adopted a pro-Chechen posture. The Chechens were perceived as nationalist underdogs. The sizeable Chechen and Circassian minority within Turkey played an active role in ensuring Turkish sympathy for the Chechens as they chased the Russians out of Chechnya. Turkey also hoped that the attainment of independence by Chechnya would contribute to lessening Russian influence in the Transcaucasian region.

Turkey adopted a very cautious attitude towards the second Chechen war in 1999-2000, however. Turkey watched in dismay between 1994 and

1999 as the Chechens lost an opportunity to solidify their independence and reach an amicable arrangement with Moscow. Chechnya disintegrated into violence and quasi-anarchy. The government was unable to control its "armed forces," which started falling under the influence of Islamic fundamentalist groups, and there was a steady criminalization of the Chechen state. The Turkish elite was not willing to support such a "national liberation" struggle and the Chechens began to lose sympathy. Turkey adopted a hands-off approach towards the Russian offensive even as it complained about the extent of the humanitarian tragedy in the country. Turkish commercial and business groups with interests in Russia have played a role in ensuring Turkey's neutrality in the second Chechen war.

An important focus of Russian-Turkish competition centers on Turkish control of the Straits and the transport of oil from the Caucasus to the international market. The Straits are historically crucial to Turkish security, and Turkey is extremely sensitive to any attempts to question her sovereignty over them. Moreover, Turkey objects strenuously on environmental and safety grounds to Russian proposals to ship Caspian Sea oil through the Straits. Turkey believes that with increased tanker traffic the rate of accidents would increase and pose a threat to the 12 million inhabitants of Istanbul.

Reflecting its environmental and safety concerns, Turkey implemented a Traffic Separation Scheme in July 1994, which has dramatically decreased the accident rate in the Straits. Russia has objected vehemently, claiming that this unilateral action on the part of Turkey contravenes the Montreux Convention of 1936. Turkey has promoted the Baku-Ceyhan pipeline as an alternative to access through the Straits. Russia perceives this project as an attempt by the United States and Turkey to wean the Caucasus away from Russia.

Overall, both Turkey and Russia have benefited greatly from their economic and commercial partnership, and neither side wants the barely submerged strategic rivalries and mutual suspicions to surface and poison both bilateral relations and the regional atmosphere.

Relations with the European Union

Europe looms larger in the minds of Turkey's secular elite than does the United States. The Kemalist goal of Westernization requires that Turkey establish a European identity.³⁰ Turkey applied for membership of the European Community in 1959, and signed an Association Agreement with the European Economic Community in 1964. Turkey applied for full membership in the European Union in 1987 under Turgut Ozal, who was responsible for the liberalization of the country's economy. The EU sidestepped Turkey's request and issued an "opinion" arguing that Turkey needed to make radical changes in its politics and economic system before it would be considered.

In 1992, responding to the aspirations of former Eastern bloc countries, European leaders developed three new conditions for EU membership: European identity, democratic status, and respect for human rights. Turkey did not score highly in these categories. Nonetheless, it was a great shock to Turkey when the EU rejected its bid for membership at the Luxembourg summit in 1997, at the same time inviting several eastern European countries to apply. Ankara turned its back on Europe for a time, and focused on development of its relations with neighboring countries and the United States.

Reasons for the EU rejection of Turkey vary. Among the most important continue to be human rights violations associated largely with the Kurdish minority, the undue influence and weight of the military in Turkish politics, and Turkey's low level of economic development. Greece, an EU member and a significant hurdle in Turkish-E.U. relations, has often exercised its veto on EU policies toward Turkey. Finally, although never stated publicly, many Europeans view Turkey as alien, culturally and religiously.³¹

As of late 1999 the deep freeze in EU-Turkish relations appears to be ending. Several factors are responsible. The Europeans realized that an alienated Turkey could develop in ways not conducive to security and stability in southeastern Europe. The emergence of an Islamist Prime Minister, the prominence of the military, and "muscular diplomacy" by Turkey in the Aegean and eastern Mediterranean seas were worrisome. In

addition, the warming of Turkish-Greek relations in the summer and fall of 1999 contributed significantly to the thawing of overall E.U.-Turkish relations. The appointment of George Papandreou as Greek Foreign Minister was an important factor. In contrast to his predecessors, Papandreou believed that the best way to moderate Turkish behavior and move toward resolution of Turkish-Greek bilateral problems was by drawing Turkey closer to Europe. At the same time, Greece rushed to help Turkey in the aftermath of the devastating earthquake in August 1999—an act of charity and friendship that stunned the Turkish people. Turkey reciprocated when a temblor hit the vicinity of Athens in early September. These disasters provided the impetus for the rise of "earthquake diplomacy" between Papandreou and his Turkish counterpart, Cem.³²

Reversing the Luxembourg decision, the EU put Turkey on its list of candidate members in its December 1999 summit in Helsinki. The accession process will take years, and Turkey will have to undertake sweeping political, social, and economic reforms to bring the country in line with EU standards. While the road ahead will be rocky, what currently matters to the Turks is the fact that they are now much closer to Europe. Prime Minister Ecevit moved quickly to indicate that Turkey will implement important measures—abolition of the death penalty, reform of the legal system, granting Kurds some group rights such as Kurdish language broadcasts—that have been demanded by the EU. The fact that accession is a long ways off does not mean that Turkey does not have to start bringing its domestic and external policies/behavior in line with EU standards. Questions abound:

- Will there be a growing democratization of the political process and a waning of the military's influence?
- Will the Turkish State grant the Kurds autonomy?
- Will Turkey focus its attention on Europe again at the expense of her regional efforts?
- Will the convergence of EU and Turkish views on security come at the expense of U.S.-Turkish strategic relations?

A further irritant in EU-Turkish relations is the exclusion of Turkey from efforts to construct a European defense identity with an operational

dimension. Turkey is afraid of any tendency on the part of the European Union to establish a security system inside the 15-nation union separate from NATO. It has expressed its dissatisfaction with the observer status it had been granted in the Western European Union (WEU).⁸ Like the United States, Turkey believes that increased European defense cooperation as reflected in the European Security and Defense Initiative should not discriminate against non-EU members, duplicate existing NATO defense structures, or decouple European security from that of the United States. Turkish exclusion from full participation in new security arrangements is viewed by Ankara as a demonstration of European unwillingness to grant Turkey a legitimate security role on a continent where Turkey has legitimate concerns, particularly in the Balkans. As long as Turkey remains outside of the EU, it will not be a formal part of that security system.

Turkey's regional relations

Turkey's regional relations have presented both opportunities and challenges over the course of the past decade. Turkey's response has been a two-pronged strategy, balancing unilateral pursuit of national interests backed by an increasingly powerful military against cooperative engagement within multilateral frameworks.

The Middle East

Si vis pacem, parabellum ("If you want peace, prepare for war") is a Roman maxim that Turkey seems to have learned well over the course of the post-Cold War era. On occasion Turkey has ruthlessly practiced a coercive diplomacy vis-à-vis neighbors where the benefits of threatening the use of force have seemed to outweigh the costs. This approach has brought Turkey some notable gains in the past two years in the Middle East and the eastern Mediterranean.

⁸ Since its foundation in 1954 the WEU has sought vainly to become a distinctly European defense association that would acquire operational capabilities essential to enable it to engage in execution of large-scale military operations independent of NATO. See Robert de Wijk, *NATO on the Brink of the New Millennium*, London: Brassey's, 1997.

Turkey threatened Syria with war in late 1997 if it did not desist from supporting the PKK. To lend weight to its threats, Turkey moved several thousand troops to the border with Syria and vowed that it would invade if its demands were not met. Worried by Turkey's military superiority and preoccupied with Israel, Syria backed down with alacrity.³³ Similarly, when Cyprus sought to acquire and deploy S-300 anti-aircraft missiles on the island, the Turkish General Staff (TGS) threatened Nicosia with dire consequences if the deployment were to go ahead. Cyprus backed down and, following consultations with their Greek allies, the Cypriots agreed that the missiles would be deployed on the Greek island of Crete.³⁴ Turkey has sent thousands of troops into northern Iraq in pursuit of PKK rebels on several occasions and has established a zone of influence in the absence of Baghdad's authority in that region.³⁵

Turkey's muscular diplomacy in the Middle East has been aided by her growing strategic relationship with the most powerful country in the Middle East, Israel.³⁶ Over the past three years Turkey and Israel have signed agreements that have transformed the geopolitical balance on Turkey's southern flank.³⁷ This relationship has contributed significantly to Turkey's ability to adopt an aggressive posture with respect to the missile conflict with Cyprus and the quarrel with Syria over terrorism, and other pressing issues such as sharing of the waters of the Euphrates River.³⁸

Turkey and the Black Sea

Turkey's seeming belligerence in the Middle East and eastern Mediterranean is in stark contrast to its attempts to bring about cooperative arrangements and agreements in the Black Sea sub-region, where Turkish diplomacy has been active since 1990.

Turkey has a number of goals in the Black Sea sub-region and has proposed initiatives to try to realize them.

Since the early 1990s Turkey has sought to stabilize relations among the Black Sea littoral and hinterland states through regional economic cooperation, taking the lead in forming an 11-nation Black Sea Economic

Cooperation forum in 1992.^h The principal purpose of BSEC was to encourage political stability and economic development through cooperation based on free market principles. Eight years later BSEC has achieved nothing concrete, however, as reforms have lagged among the former Communist members. The transition to a market economy has been painfully slow. There is also a critical shortage of investment capital.

Second, Turkey has attempted to assert political leadership in the region, and reinforce its role as gatekeeper to the Black Sea, by initiatives to create a "zone of peace and stability." During the Cold War, when all the countries of the Black Sea, save Turkey, were either part of the Soviet Union or members of the Warsaw Pact, Turkish ground forces faced Soviet divisions along the country's borders with the Soviet Union, and the bulk of the Turkish navy was designed for missions against the powerful Black Sea Fleet.

Turkey has not exulted in Russia's weakness since 1991, however, but has adopted a cautious approach. It has the most modern and operationally ready naval force in the Black Sea, but has not opted to display its naval paramourncy. Turkish navy officers state that as a matter of policy they will ordinarily deploy only two to three frigates and two submarines in the Black Sea at any one time.³⁹

Turkey's low-key approach stems from a desire to avoid remilitarization of the Black Sea and a re-birth of the Russian Black Sea Fleet. Turkey believes a large, sustained Allied naval presence in the Black Sea would provoke Russia and increase the chances that Moscow would rebuild a dominant Black Sea naval presence when its economy begins to grow. Turkey does not want to focus its own navy on the Black Sea. Unlike the situation in other Black Sea countries, the end of the Cold War has actually witnessed a dramatic expansion of the Turkish navy's budget and relative importance among Turkey's military services, with new missions and new ships. It is no longer the poor cousin of the increasingly hi-tech air force and the historically dominant army. Its focus is on the Aegean Sea and the eastern Mediterranean, where Turkey sees the most pressing

^h Members are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Rumania, Russia, Turkey, and Ukraine.

naval threat—the Greek Navy, which is undergoing its own modernization program and might threaten the sea lanes of communication to the Turkish half of Cyprus.

Third, the Turks have put forward a number of proposals designed to further develop relations among the littoral states and decrease historical rivalries and suspicions.

Since 1998 Turkey has promoted the creation of an on-call Black Sea Naval Force (BSNF), whose primary goal would be to contribute to building confidence and improve relations among the navies of the Black Sea littoral. In meetings between naval representatives of these states, it has been agreed that only Black Sea countries should be members at the outset. While the BSNF has not yet been constituted, specific tasks of the force as envisaged by Turkey would be:

- Interoperability training
- Search and rescue
- Humanitarian assistance
- Non-combatant evacuation
- Mine countermeasure operations
- Environmental protection operations.

Turkey has also taken a leading role in negotiations among representatives of the six Black Sea countries to establish a regime of naval confidence-building measures (CBMs) in the Black Sea.

Turkey would like to see regional cooperation in the clean-up of the Black Sea. This body of water is one of the most polluted in the world. Widespread environmental degradation of the Black Sea was caused by decades of inept industrial planning on the part of the former Communist regimes. Ninety percent of the sea lacks oxygen, and the dead water is expanding steadily upwards from the bottom, according to a study by the Washington-based Worldwatch Institute. Many ships discharge their ballast and bilge during loading and unloading because most Black Sea ports lack reception facilities. Land-based pollution comes from many sources including the five tributary rivers of the Black Sea—the Danube,

Dniester, Dnieper, Don, and Kuban—which discharge into the Black Sea the wastes of a combined population of 165 million people in 17 countries. NATO bombing of Serbia in early 1999, and the consequent oil spills on the Serbian stretch of the Danube, magnified the environmental threat.⁴⁰ Turkey has taken the initiative in proposing multilateral efforts to confront the environmental and ecological disasters looming in the Black Sea.

Turkey has some expertise in environmental protection because of an earlier role in the implementation of an ecological master plan for the Mediterranean Sea.

Fourth, Turkey wishes to establish cordial or even close bilateral (as distinct to only multilateral) relations with her Black Sea neighbors, as a catalyst for multilateral relations among all the neighboring states. Turkey has close relations with only two of the eight countries with whom she shares borders, Georgia and Bulgaria. Georgia is considered both a friend and a good neighbor.⁴¹ Turkey's close relations with Georgia largely reflect Ankara's support for Georgian president Eduard Shevardnadze, and a desire to prevent Georgia from falling back into the Russian orbit. Trade between the two neighbors is booming, with Turkish consumer goods going to Georgia and cheap gasoline heading into Turkey. The two countries are involved in joint civil engineering projects such as the Kars to Tbilisi railroad, hydro-electric power on the Coruh river, the modernization of Batumi airport, and planning for the slated Baku-Ceyhan pipeline.

Bilateral relations with Bulgaria have improved dramatically since the Cold War years, when relations were openly hostile. Bulgaria was one of the most subservient Warsaw Pact members, and the Bulgarian leadership openly discriminated against the country's large Turkish minority. Relations now could hardly be better. The two neighbors have signed a number of basic agreements and documents, including a Treaty of Friendship, Good Neighborly Relations, Co-operation and Security, and agreements on confidence-building measures along the common border, increased sharing of military information, and promotion of military contacts. Turkey is one of the most active supporters of NATO membership for Bulgaria. Bulgarian Turks have been responsible for the

Turkish expansion into the Balkans by assisting Turkish firms to break into these markets.

In 1999, Turkey joined a Multinational Peacekeeping Force, Southeast Europe, together with Bulgaria, Romania, Albania, Bulgaria, Greece, Italy, and Macedonia. The force—also known as the Southeast European Brigade (SEBRIG)—will be made up of ground forces from all members, and is expected to number about 3,000. Its headquarters are at Plovdiv, Bulgaria.

Bilateral relations with another important Black Sea country, Romania, were relatively relaxed during the Cold War because of Bucharest's distance from Moscow. However, they have improved since the downfall of the Ceausescu regime and there have been regular meetings between the senior officials of both countries. Turkey has promoted the idea of Romanian membership for NATO. Trade between the two countries is brisk and Romania is interested in the development of a maritime transportation infrastructure between its huge port of Constanta and Turkish ports.⁴²

Bilateral relations with Armenia remain distinctly cool for historical reasons, and because of Armenia's strident conflict with Azerbaijan, with whom Turkey has close relations. The conflict over the enclave of Nagorno-Karabakh between Armenia and Azerbaijan for the past six years, as well as the extensive Armenian rearmament program, have contributed to cementing Turkish-Azeri political and military relations. Turkey, however, has exercised considerable caution and has chosen not to intervene too openly in the Azeri-Armenian conflict because of Armenia's close relations with Russia—its main arms supplier—and other potential foes of Turkey such as Greece and Iran.

Notwithstanding the flurry of bilateral diplomatic contacts and initiatives between Turkey and Ukraine between 1993 and 1995, Turkish-Ukrainian relations have not developed as closely as both sides would like, as a result of the generally unsettled political climate in that country and Kiev's complicated relations with Moscow. While Turkey has not actively promoted Ukrainian membership of NATO (as it has for Romania and Bulgaria), it believes that Ukraine's independence must be actively protected so that it does not fall under Russian influence or return

to the Russian fold. Such a prospect could mean the revitalization of Russian power in the Black Sea, and expose Turkey to Russian power again. Turkey has also welcomed and co-sponsored Ukrainian efforts to implement confidence-and-security-building measures in the Black Sea.⁴³

Defense issues

In light of varied post-Cold War security threats, Turkey has accelerated the modernization of all three of its armed services. The 1998 defense plan envisaged spending \$150 billion over the next 25-30 years for military modernization. This program is, of course, subject to the vagaries of Turkish economic health, government policies, and Turkish relations with main weapons suppliers.ⁱ While it has been revised downwards because of budgetary constraints and costs stemming from the 1999 earthquakes, Turkey's planned defense expenditure over the next ten years is likely to lead to a radical transformation of the armed forces.⁴⁴ Turkey seeks to acquire the most modern conventional weapons, develop the power projection capabilities of all three services, and create a true joint warfare capability wherein the three services can coordinate their military activities in a seamless manner.⁴⁵

Historically, the Turkish navy has been the weakest and smallest of the services. During the Cold War the navy's focus was almost exclusively on the Soviet threat in the Black Sea. Over the past ten years the prestige, budget, and missions of the Turkish navy have grown enormously. It has been allocated about 33% of the monies for the defense procurement plans over the next decade. Currently, the Turkish navy has 51,000 active

ⁱ Much of the defense modernization program is funded through a combination of the Turkish Defense Ministry's share of the government budget and a separate Defense Industry Support Fund. The latter source draws its funding from private donations and a special tax on alcohol, gambling, tobacco, gasoline and imported goods. In some instances, the military modernization program conflicts with some of Turkey's economic goals. In November 1998, the outgoing government of Mesut Yilmaz scrapped a 3.5% tax on gasoline as part of a stabilization plan designed to curb inflation. The result was that the military lost \$300 million annually or 9% of the procurement budget. Turkey has been subject to an intermittent arms embargo by her Western partners over the course of the past two decades because of her differences with Greece over Cyprus and the Kurdish conflict.

personnel and is divided into a headquarters and four main sub-commands.^j

The Turkish navy consists of a vast array of both modern and ageing combat vessels. As a result of an ongoing naval modernization program, the percentage of old vessels has steadily declined. The order of battle as of late 1999 is as follows:^k

- 15 submarines^l
- 21 frigates^m
- 50 patrol and coastal craftⁿ
- 29 mine warfare vessels^o
- 8 amphibious vessels^p
- 27 support and auxiliary ships
- 16 anti-submarine helicopters.

The Turkish navy also includes a small but well-trained complement of marines and marine commandos which was built up in the wake of the Turkish invasion of Cyprus in 1974. Most of this small force is based along Turkey's Aegean coast facing Greece. Their task is to uphold Turkish territorial interests in these contentious waters.

^j Fleet Command, Golcuk; Northern Sea Area Command, Istanbul; Southern Sea Area Command, Izmir; Naval Training Command, Karamursel; Black Sea Command, Eregli.

^k Most of the data here is derived from *The Military Balance 1999-2000*, International Institute for Strategic Studies and Eric Grove, "Rise and Fall: A new order in the Black Sea," *Jane's Navy International*, March 1998, pp.17-19 "World Navies Today: Turkey," www.uss.salem.org/worldnav/europe/turkey.htm.

^l 30%-40% of the submarine fleet is obsolete with a number of such vessels being non-operational.

^m 5 *Perry* class armed with 4 Harpoon Surface-to-surface missiles each; 4 *Yavuz* (German MEKO-200 class) each with 8 Harpoon SSM and one AB-212 ASW helo; 8 *Muavenet* (US-Knox class); 2 *Barbaros* (Modified German MEKO-200 class) each with 8 Harpoon SSM; two obsolete frigates.

ⁿ 19 Missile Patrol Boats; 31 coastal patrol craft, and 21 inshore patrol craft.

^o 3 minelayers and 26 mine countermeasures craft.

^p Mostly obsolete, but assuming full operational readiness, they have a theoretical capacity to carry 3,000 troops for an amphibious operation.

Broadly, the missions of the Turkish navy are to defend the country against maritime threats, and to protect national maritime interests and the sea-lanes of communications. Major peacetime missions include:⁴⁶

- Maintenance of deterrence through development of force structure, training, and exercises
- Maintenance of presence overseas when national interests dictate
- Participation in peace support operations, humanitarian assistance, natural disaster and relief operations, and Search and Rescue
- Participation in joint operations with other navies against terrorism, drug trafficking, and smuggling
- Cooperation with the Turkish Coast Guard for the protection of national interests and environmental protection over Turkey's Exclusive Economic Zone.

The Turkish navy is currently engaged in an extensive modernization program designed to bolster its abilities to conduct defensive littoral warfare and extensive open seas operations.⁴⁷ Over the next five years it will acquire four more (improved) Type 209 German submarines, six advanced air defense frigates, two more MEKO-200T frigates, six modern mine counter measures vessels, and six Maritime Patrol Aircraft. It will also explore the possibility of acquiring a fleet of light corvettes for ASW and coastal patrol, and a fleet of a dozen Offshore Patrol Vessels. Turkey is even studying the acquisition of a light aircraft carrier ("air capable" ship) with helicopters and vertical take-off and landing aircraft.

The context for Navy engagement

Overall, the U.S.-Turkish security relationship remains extremely important for both sides in spite of the end of the Cold War. It is focused on ensuring stability and security in the eastern Mediterranean, the Middle East, and the Persian Gulf. There have been tensions in this bilateral security relationship. The Turks feel that the United States does not understand their position with respect to the intractable Cyprus problem, while the United States is concerned foremost with preventing a shooting war between two NATO allies, Greece and Turkey. Turkey feels

that the United States has often promoted its own political and security interests at the expense of Turkey in areas where there are mutual concerns. For example, Turkey has been at odds with the United States over policy towards Iraq since Desert Storm. American sympathy and support for the Iraqi Kurds has engendered the suspicion that the United States wants to carve out an independent Kurdish state, which would have adverse implications for security in the largely Kurdish part of southern Turkey. Furthermore, economic sanctions on Iraq, Turkey's most important Middle East economic partner, have cost the Turkish economy billions of dollars.

Turkey, the United States Navy, and the Black Sea

Thus, while the U.S.-Turkish security and military relationship has generally benefited Turkey, in some cases it has entailed significant costs for Turkey. In the Black Sea, where Turkey sees the benefits as limited, it is not prepared to subordinate its own interests. The establishment of closer U.S.-Turkish security relations in the Black Sea does not loom large in the minds of the Turks. Turkey wants the United States to be able to project force in the Black Sea if necessary to deter an emergent Russian threat, and it values U.S. efforts to establish democratic regimes and healthy economies among the former Soviet and Warsaw Pact states there. It also values NATO exercises in the Black Sea.

But Turkey is not eager for an increased level of peacetime U.S. Navy presence in the Black Sea. Turkish officials expressed several reasons to us:

- The Turks do not want a U.S. naval presence that would overshadow Turkey's own initiatives, which are designed in part to increase Turkey's regional influence as well as promoting closer regional military relations and transparency.
- The Turks do not wish to provoke Russia unnecessarily, and want to avoid forms of Russian retaliation that would affect Turkey's interests.
- Higher levels of peacetime naval presence by non-Black Sea navies would put pressure on the Montreux Convention.

Recommendations for the Navy

The alliance relationship with Turkey, that country's close military cooperation with the United States in the Middle East and Gulf, and Turkey's regional interests and objectives, combine to suggest that the Navy should give high priority to operational engagement activities with Turkey in the Mediterranean, comparable with those we undertake with other NATO allies. Such exercises could help to raise the operational capabilities and readiness of the Turkish navy. They would also contribute to closer military-to-military relations—including, indirectly, continued access for U.S. military forces to bases in Turkey—and to making Turkey a more effective coalition partner. They will continue to need to be implemented in ways that do not put the United States in the middle of Greek-Turk issues, and that foster improved relations between the two countries.

The Black Sea, however, presents a different context for Navy engagement with Turkey. U.S.-Turkish relations are more complex and layered than relations with other Black Sea countries. Turkey does not need military engagement via the Black Sea to feel that it is part of the Western security system, or to raise the profile of its overall relationship with the United States. In this respect it stands in contrast to the new states of the former Soviet Union, or former Warsaw Pact members, for whom engagement is an important element of bilateral relations with the United States.

Turkey wants to play its own role in the Black Sea region, maintaining some distance from the United States in order to present an independent image. The United States will have its own interests vis-a-vis the Black Sea countries. Where U.S. interests are affected by Turkey's policies and actions, we will need to need to make U.S. views known directly and forcefully. But as long as Turkey and the United States are pursuing congruent goals, including stability, consolidation of the independence of new states, democratization, and economic growth, Turkey's wish to play its role independently—as in the case of the Black Sea Naval Force—should not pose a problem for the United States, or the Navy.

Turkey's stance on expanded cooperative navy engagement with the U.S. Navy in the Black Sea may change in the future. In the event that Russia

comes to be seen in Ankara as less threatening to Turkish interests, and more likely to cooperate in fostering regional stability, Turkey may welcome an expanded program of U.S.-Turkish naval activities with other Black Sea countries. Close, continuous consultations with Turkey on Black Sea security issues will enable the Navy to gauge whether and when this point is reached.

We recommend that the Navy approach “formative” engagement with Turkey, in the sense of trans-sectoral activities designed to influence non-military segments of government and society, with care. Turkey is not a new state in the midst of building institutions. Furthermore, its political elite and public opinion is prickly, highly nationalistic, and sensitive to anything that smacks of paternalism.

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Ukraine

A nuanced, well-balanced approach to Russia and the West

-- Western diplomat in Kiev, October 1999

Summary

Ukraine's continued independence is important to the post-Cold War European security framework, but is not assured. Return of part or all of its territory to Russia would be widely seen as increasing Russia's power and military reach. Ukraine is not on track for NATO or European Union membership. American engagement in the defense area thus provides an important Western anchor, at a time when other western connections are less effective. U.S. engagement is more flexible than NATO's elaborately pre-planned activities.

- Independent Ukraine got off to a shaky start after the demise of the Soviet Union. Its economy collapsed, and tensions with Russia rose over Moscow's claims to Crimea, where the majority of the population is ethnic Russian. At the time, some predicted war between the two countries, or the breakup of Ukraine into eastern and western parts, with the eastern part rejoining Russia.
- Under Leonid Kuchma, president since 1994, Ukraine has made progress toward nationhood, but the economic disaster continues. Ukraine's GDP has fallen every year in the past decade. Kuchma has promised to accelerate reform, but prospects, based on the past record, are for continuing economic crisis.
- Kuchma pursues a careful balancing act between East and West. Moves toward one side are matched by gestures to the other. Ukraine has strengthened ties with the West significantly,

including playing an active role in NATO's Partnership for Peace (PfP) and setting the goal of membership in the European Union. At the same time, Kuchma's even-handed approach has made it possible to gain Russia's agreement that Crimea is part of Ukraine, and to divide up the Soviet-era Black Sea Fleet.

- Russia retains substantial influence and popularity in Ukraine. There is a strong leftist opposition, and Communists are the largest party in parliament. Kuchma won a second term in 1999 with Russian support.
- In foreign affairs, the East-West balancing act will likely continue. External security concerns are not urgent. They include a legacy of conflicting claims with Romania to Serpent Island and some maritime border disputes with Russia. Concern remains that Russia may again lay claim to Crimea and Sevastopol. While official ties with Turkey are cordial, Ukraine worries about Turkey's assertive stance in the Black Sea and its links to the Tatar minority in the Crimea.
- Relations with the United States are excellent. American access in Kiev is unrivalled. American aid programs support economic improvement, democratic institutions, and social progress.
- Ukraine's wish to join the European Union is at present distinctly one-sided. The EU omitted Ukraine from its recent list of 13 prospective members. The outlook is for a prolonged, and perhaps indefinite, "special status" association.
- Ukraine's NATO ties are active and the relationship is defined by a high-profile special arrangement, the 1997 Charter on a Distinctive Partnership. But Kiev is cautious about asserting its candidacy for membership. NATO, in turn, has doubts on economic and military grounds that Ukraine can qualify. And some members worry about strong Russian opposition. Prospects, as with the EU, are for a "special relationship" of indefinite duration.
- In 1991, Ukraine inherited a military of 780,000 personnel designed for Soviet strategic considerations. It has pared that number to below 330,000, but the defense establishment--largely made up of ground forces--is still bloated.

- The Navy is a small force with nominal war-fighting capability and extreme resource problems. Only a dozen or so of Ukraine's surface combatants and amphibious vessels are operational. Its mission focuses on coastal protection, showing the flag, and exercising with other navies, Western and Russian. Much of its inherited naval aviation capability has been transferred to the Ukrainian air force. At under 16,000 personnel, it represents about 5% of Ukraine's armed forces. The majority of the navy are ethnic Russians; so are about half the flag officers.
- Ukraine's political balancing act is paralleled by a sophisticated process of East-West military balance. Ukraine routinely matches exercises with Western participants by undertaking comparable activities with Russia.
- American engagement in the defense area is important to Ukraine. It provides a western anchor, at a time when other Western connections like the EU, IMF, and NATO are not available or are out of favor. U.S. engagement is more flexible than NATO's elaborately pre-planned activities.
- Ukraine welcomes traditional navy engagement activities in such areas as disaster relief and humanitarian assistance, coastal surveillance, anti-smuggling and immigration control, search and rescue, and oil spill response.
- We recommend that the Navy consider a joint project with the Department of Energy to work on oil spill contingencies in the Black Sea. Civilian and navy representatives from all littoral states would be involved. Objectives would include institutionalizing civil-military cooperation in this area.
- Ukraine is a good candidate for one of NAVEUR's first extended ship visits, or "shaping availabilities," offering a menu of functional specialties and workshops designed to affect a broader audience. Odessa, rather than Sevastopol, would be the best location.
- In planning engagement with Ukraine, the Navy should focus on younger officers and NCOs, both to foster professionalism and to avoid excessive involvement of older personnel with Soviet-era

baggage. The Navy should also avoid exercise scenarios that cast a thinly veiled Russia as the aggressor, and, when possible, it should invite the Russians to participate. This would help Ukraine from a domestic political standpoint.

U.S. policy goals

In the Year ahead [2000], the United States will be focusing particular attention and resources on the challenges faced by four key democracies: Colombia, Nigeria, Indonesia and Ukraine. These nations differ markedly, but each can be a major force for stability and progress in its region. And each is at a critical point along the democratic path.

-- Secretary of State Madeleine Albright, address at School of Advanced International Studies, January 18, 2000

A strong, stable, independent, prosperous, and democratic Ukraine will be an important partner in achieving post-Cold War goals such as preventing nuclear proliferation, expanding commercial and economic relations, eradicating disease and conflict, easing environmental degradation, and shaping a more secure and stable Europe. In providing assistance to Ukraine, U.S. strategic goals are to help Ukrainians build a strong, independent, democratic, and economically viable country, and to further Ukraine's effort to become integrated into the global community and forge stronger ties with the West.

-- USAID, Congressional Presentation FY 2000: Ukraine

The NATO-Ukraine Charter recognizes that an independent, democratic, prosperous and stable Ukraine is essential to building a more integrated and secure Europe. And it lays the foundation for a strong and enduring relationship between NATO and Ukraine.

-- Secretary of Defense William Cohen, at the Academy of the Armed Forces of Ukraine, Kiev, July 12, 1997

The domestic situation: political and economic considerations

Ukraine has a population of about 50 million. Major ethnic groups are Ukrainian (73%) and Russian (22%).¹ Eastern Ukraine has a large Russian population and Russian majorities in the cities. Crimea has a significant Russian majority. Western Ukraine and much of rural Ukraine tends to be ethnically Ukrainian.

The first presidency

The emergence of an independent Ukraine was a dramatic consequence of the collapse of the Soviet Union.

On December 1, 1991, former Communist ideologue Leonid Kravchuk, running on a nationalist platform, was elected president of what was still the Ukrainian Republic of the USSR. On the same occasion, 90 percent of the voters supported a referendum favoring independence from the Soviet Union.^a

On December 25, Mikhail Gorbachev resigned as President of the USSR. The next day, the Soviet Union was dissolved. In January 1992, the U.S. established relations with a newly independent Ukraine—less than half a year after President Bush had warned against “suicidal nationalism” while visiting Kiev.

Kravchuk’s presidency was marked by ineptness in managing a transition from the command economy of the USSR. Ukraine avoided economic reform, keeping rigid controls on prices and trade, neglecting steps to facilitate private enterprise, and maintaining the system of subsidized state industries. The result was an economic debacle marked by hyperinflation and a drastic decline in the standard of living.

^a Thereby reversing a referendum organized in March 1991 by Soviet President Gorbachev, in which 70% of Ukrainians voted to maintain the USSR. (The message, however, was blurred by another provision, added by Kravchuk, favoring a loose union of sovereign states, which was also endorsed.)

Another characteristic of this presidency was a tenseness, sometimes acerbic, in relations with Russia. One factor was an early, aggressive effort to impose Ukrainian cultural and language norms. It was perceived as a deliberate slight and a long-term threat by many of Ukraine's large number of Russian speakers.

Another factor was the issue of Crimean independence, heightened when the predominantly Russian population of the Crimean peninsula elected a local president who favored secession from Ukraine and reunification with Russia. Cheered on by nationalists in Russia and excoriated by those in Ukraine, the movement for Crimean independence issue cast a shadow on Ukraine-Russian relations.

For a significant part of the period 1992-95, many believed that the Crimean issue could readily lead to hostilities between Russia and Ukraine. Some went further, predicting that the combination of widespread economic collapse and a Crimean secessionist movement would result in a breakup of the new Ukrainian nation. By this prognosis, the western regions would break off and the eastern parts, with their large Russian populations, would seek to rejoin Russia.^b

The Kuchma presidency

In the summer of 1994, Kravchuk lost the presidency—in itself an impressive assertion of democracy in a region with no memory of contested elections. His successor, Leonid Kuchma, had made his mark as head of Ukraine's largest missile factory. Kuchma ran on a program that promised economic reform and improved relations with Russia. Seen as pro-Russian by the largely nationalist western Ukraine, he ran behind his opponent there. He did well in the more Russified eastern parts of the country. In all, he garnered 52% of the vote.

^b These widespread concerns included a U.S. intelligence estimate from January 1994, widely reported in the press. It forecast as likely that a continued worsening of Ukraine's economy, along with ethnic conflict, would lead to an attempt to partition the country and result in violence. The estimate, written by the CIA, reflected the consensus of the intelligence community. See *The Washington Post*, January 25, 1994, "U.S. Intelligence Sees Economic Plight Leading to Breakup of Ukraine," by Daniel Williams and R. Jeffrey Smith.

Kuchma's next five years in office were a mixture of some progress in nationhood and democracy, a depressing economic performance, and a foreign policy that made major strides toward the West as well as toward Russia.

A new constitution adopted in 1996 confirmed Ukraine as a unitary (as opposed to federal) nation. It also gave the Rada, or parliament, considerably more power than the President had sought.

New electoral laws in 1997 instituted a system that gives political parties half of the 450 seats in parliament, leaving the other half to individual candidates. The net effect was to strengthen the role of the parties, especially those with a tradition of strong organization, such as the Communists.

These developments served to create an uneasy balance between the presidency and the parliament (in sharp contrast to the 1993 Russian constitution, which gives the presidency a clear whip hand). An important by-product is the heightened ability of the Ukrainian Communist Party and its allies to block initiatives not to their liking.

The largest bloc in the parliament since the first parliamentary elections in March 1994 has been the leftist alliance led by the Communists (CPU). The 1998 elections gave the Left 172 out of 450 seats (about 38%), of which the Communists have 123. The generally pro-government coalition, by contrast, has 101 seats (about 22%).² The Left's parliamentary representation roughly corresponds to the overall strength of the Left in Ukraine, usually estimated at 40%.^c

The Communist deputies have not been shy in advertising their views. They have made a practice of wearing USSR badges on their coats, refusing to stand when the Ukrainian national anthem is played, and insisting that the USSR coat of arms be retained on the outside of the parliament building. They made a point of boycotting Kuchma's inauguration for a second term in November 1999.³

^c The overall following of Ukraine's nationalist groups is often estimated at 30%; in parliament, some of the nationalists are usually part of the pro-government alliance. (Nov. 1999)

It's the economy...

The overwhelming fact of Ukraine is the economy. It is *the* issue, and dwarfs questions of conventional politics, foreign policy, or ethics in government.

The record is bleak. Like much of the former Soviet Union, Ukraine's industrial base is outdated. Often, it is irrationally located and built for political rather than economic reasons. Steel, chemicals, shipbuilding, coal, machine tools, and weaponry are among the areas that relied on subsidies in the Soviet era and now are uncompetitive or at risk.⁴

The collapse in production is matched by dysfunction in the work place. Wages are habitually months in arrears, with the intervening inflation adding to the pain. For many, work—as in the old Soviet days—is merely to go through the motions. Unemployment, officially about 3%, is probably about 25% when one takes underemployment into account.⁵

Efforts at privatization, despite the status of a priority item, have been unsuccessful and mired in administrative inertia and parliamentary opposition. In some cases, privatization has served as a bald pretext for the transfer of state property at virtually no cost to those with the connections or under-the-table cash to land the prize.

The Kuchma government's record on inflation and exchange rates, while an improvement over the preceding administration, has not stemmed the erosion.

Output in 1992-98 fell to less than half the 1991 level.⁶ Then, following the Russian currency and economic collapse of August 1998, things took a further turn for the worse. The Ukrainian Hryvnia fell from 1.6: \$1 in 1996 to 2:1 in 1998 (before the Russian collapse) to 5:5 by December 1999. Inflation over the last year has been around 20%.

The combined effect of inflation and the currency collapse is a major drop in real wages, with one estimate counting current levels at about half of those before the 1998 collapse.⁷

Agriculture, too is in poor shape. Once called the Soviet breadbasket, Ukraine has seen its agricultural output fall to pre-1991 levels. The old

agricultural system remains largely in place, but its state-dependent support system of subsidies, fertilizer, equipment, and other necessities has ceased to work. A system that was cumbersome and inefficient at best is worse off than before. In all, to quote an informed observer, over 95% of the collective farms are in serious difficulty and most are in "rapid decay."⁸

Systemic failures

There are several major, systemic faults that make government an even harder job than the already formidable challenge of dealing with a dysfunctional Soviet legacy. The governmental apparatus for handling the economy has proved a hindrance in its own right. Faced with the need to create a national government out of a provincial one, Ukraine took a cumbersome system and made it more bloated. Today's Ukraine must deal with almost 90 ministries, agencies, and departments, twice the number⁹ that existed in the Soviet era.^d

Selfish, personalized government is another hallmark of this new nation. As a long-term observer recently wrote,

Politically, Ukraine is in fact a highly competitive oligarchy, mitigated by important democratic and pluralistic features such as elections and a diverse (but not fully free) press. The competing factions in this oligarchy are primarily concerned about the division of wealth and power, not overall economic or social good. Like other post-Soviet states, this kind of politics is highly personal and corrupt.¹⁰

Corruption is pervasive. A U.S. Government report calls it "a growing and much publicized concern, both in terms of the viability of good governance and successful business development".¹¹ The practice is widespread enough, and the levels of officialdom high enough, to breed

^d In December, 1999 Kuchma signed a decree to reduce the number from 89 to 35. (RFE/RL December 16, 1999)

widespread cynicism and to make economic reform (including privatization) even more daunting than it intrinsically is.^e

An American expert summarized the economic situation in mid-1999 in bleak terms:

Economically, Ukraine is a disaster. The gross domestic product has declined every year over the past decade and is forecast to continue its decline this year and next. Although President Kuchma launched an ambitious economic reform program in 1995, his government failed to follow through vigorously and fully in its implementation. Government bureaucrats, supported by powerful interest groups representing elements of the old regime, have undermined, if not sabotaged its implementation, and the Verkhovna Rada [parliament] has occasionally thrown in obstacles. The government apparatus has smothered the emergence of private enterprise with confiscatory taxes and a myriad of regulations... . The absence of the rule of law and the failure to enact a commercial code and sound, consistent tax policy have discouraged private investment. A widening gap exists between the mass of ordinary Ukrainians, more and more of whom are impoverished, and a few high government officials and ex-Communist businessmen, who have enriched themselves from insider deals involving state assets.¹²

East and West

Kuchma ran for president in 1994 on a ticket of friendship with Russia. Strengthened ties to the West have been one hallmark of his administration. Another has been the growing influence (and popularity) of Russia compared to the early years of Ukrainian independence. The Russian dimension is central to Ukraine's domestic and foreign considerations, and is thus addressed in this section.

^e The most visible example to date is that of Pavlo Lazarenko, Ukrainian Prime Minister in 1996-97 and later leader of an opposition party. Arrested on money laundering charges in late 1998 while entering Switzerland on a Panamanian passport, he was released on bail. He was next arrested in February 1999 on embezzlement charges while entering New York on an Argentinean passport. He is presently [November 1999] in detention in California pending extradition. His family has moved to an estate nearby that Lazarenko bought for \$7.5 million.

There are several reasons for Russia's rebound. One is the legacy of personal as well as cultural ties between Russia and Ukraine, exemplified by President Kuchma's need to take Ukrainian lessons and his frequent comment that his father is buried on Russian soil.^f The cultural aspects are buttressed by the influence of Russian media, and the appeal of Russian cultural offerings, and mass media.^g

Another reason is the size and persistence of Ukraine's political Left, which has many Communist members, for whom Russianness is a virtue and the former Soviet Union conjures up a positive image.

There is also a certain disillusionment with the West. This reflects increased skepticism that democratic values and a free-enterprise market can soon (or, for some, ever) be attained in Ukraine. It also feeds on a sense of rejection by the EU and NATO, which have carved out sophisticated "outsider" arrangements with Ukraine in place of prospective membership. Most recently, there is the effect of the Kosovo campaign, a major problem for the image of NATO and the U.S. in Ukraine and a number of neighboring countries.

Finally, the expectation that Ukraine and Russia are destined to come closer together economically is widespread in both countries. In part, it mirrors Ukraine's trade flow: nearly half of Ukraine's current imports are from Russia, in good part due to Ukraine's dependence on Russia for oil and gas.^h Russia is also Ukraine's major export partner.¹³ But this

^f To illustrate: in May 1999, President Kuchma met Russian defense Minister Igor Sergeyev. According to the *Economist*, "With tears in his eyes he embraced Russia's defense minister, Igor Sergeyev, to celebrate the 55th anniversary of the liberation of the Black Sea Port of Sevastopol from the Germans. 'There is no rupture with Russia, my partner and brother, and never will be,' he said. 'My father is buried in the ancient [Russian] land of Novgorod,' he weepily told Mr. Sergeyev. 'For me, that says it all.'" (June 5, 1999)

^g Interview with Ukrainian intellectuals in Kiev, October 1999. They ticked off a list of television, theatrical, book, song, and other comparisons covering recent years in which it was the Russian rather than Ukrainian contribution that caught on as pop culture. Their assessment was that Russian was the "in" language for youth and was more widely used than in the early 1990s, when a period of political correctness inhibited use of Russian in the workplace, government office, or military. English, in their view, was the second "in" language, and Ukrainian a clear third.

^h Russia is dependent on Ukraine, in turn, for energy transshipment to other countries, especially gas. This relationship occasionally takes a sharp turn. For example, in December

expectation is also fueled by a pessimism among Ukrainians that they cannot, now or in the future, compete on the world market—and thus in effect have no choice but to join their large neighbor, which is also non-competitive in manufactured goods.ⁱ A similar thought, carried one step further, is that since it is to Ukraine's advantage to develop increasingly deep and intimate economic ties with Russia, it is probably unwise to devote too much effort to the quest for EU association and risk being rebuffed in the bargain.

One Ukrainian expert has written that "Ukraine, which remains weak and vulnerable, finds itself in a kind of geopolitical vacuum between an enlarged EU/NATO and a still chaotic Russia."¹⁴

An assessment in September 1999 of Ukrainian views of the relative merits of East and West yields some surprising results. U.S.-sponsored polls show NATO at the low end of the spectrum, with 20% of Ukrainians saying they have at least a fair amount of confidence in the Alliance. The IMF is next lowest (25%). The United States comes out at a respectable 55% in the "at least somewhat favorable opinion" category. Russia and Germany are a cut above (59% and 60%, respectively). Highest is Belarus (65%), an apparent reflection of the popularity of President Lukashenko, the country's authoritarian leader, and his pan-Slavic views. In other questions, 53% of Ukrainians support closer security relations with Russia and the CIS, as opposed to 14% who believe that Ukraine should develop stronger ties with the U.S. and NATO. And 57% "at least somewhat" support a Ukrainian confederation with Russia and Belarus (down from 65% earlier in the year).¹⁵

1999, Russia halted supplies of oil and electricity to Ukraine after charging Ukraine with the theft of 150-200 million cubic meters of gas per day. (RFE/RL, December 13, 1999)

ⁱ This pessimistic prognosis, which comes close to a statement that two economic losers need to join forces to survive, was expressed in Kiev during interviews in October 1999. A former Senior U.S. official closely familiar with Ukraine made a similar assessment during an interview in August, 1999. On the same theme, James Sher has commented that "The danger is not that Ukraine will choose to turn eastwards, but that it will involuntarily drift in that direction through a combination of its failure to modernize its economy and the comparative ease of doing business in a newly open Russian market. ("Russia-Ukraine Rapprochement?: The Black Sea Fleet Accords," *Survival*, No. 3, 1999, pp. 33-50). See also "It is Time to Start Thinking About the Ukraine," in *Global Intelligence Update*, January 11, 1999 by STRATFOR.COM for a prediction that inability to compete in the world economy will force Ukraine to federate with Russia during 1999.

A balancing act

The result is a policy that represents, in the words of a Western diplomat in Kiev, a “a nuanced, well-balanced approach to Russia and the West.”¹⁶ The government has made a mantra of the concept of good relations with all, especially Russia. Its pro-NATO statements of a few years ago have become artfully balanced. Its stance on Kosovo criticized NATO actions (on the grounds that they were not endorsed by the Security Council) but supported the indictment of Milosevich (because it was by a UN tribunal). The official goal of joining the European Union remains, but is clouded with doubt on both sides about Ukraine’s abilities to qualify in the foreseeable future.

Russia, in turn, endorsed Kuchma as its preferred candidate in the 1999 elections. Russia’s Foreign Minister told his Ukrainian television audience¹⁷ that “relations between our two countries have moved forward in every respect during the time that Leonid Kuchma has been president of Ukraine... . And if Leonid Danilovich [Kuchma] is reelected president, this will undoubtedly consolidate relations between our countries even further.”^j Boris Yeltsin also stepped into the act, extolling Kuchma on the eve of the first election and again just before the runoff, two weeks later.¹⁸

Kuchma’s new policy priorities, announced after his November 1999 victory, make the balancing act more explicit. As reported by the RFE/RL *Newsline*, Kuchma said the key features of Ukraine’s foreign policy during his second term will be its “multi-directional” character, predictability, and stability as well as maintenance of the country’s non-bloc status. Foreign-policy priorities will be to develop ties with the EU and Ukraine’s European neighbors, Russia, and the United States. He stressed that Ukraine’s strategic goal is to join the EU. Simultaneously, Ukraine will develop its strategic partnership with Russia, since Ukrainian-Russian relations, Kuchma argued, define “in many aspects” the security of Europe as a whole. Kuchma also pledged to develop a strategic partnership with the United States.¹⁹

^j Russia’s support for Kuchma was also a message not to vote for his leftist opponents, since a Communist victory would strengthen the hand of Russia’s Communists.

This political process of favoring East and West is paralleled by a sophisticated balancing act in the area of military cooperation, as discussed later.

Goals and prospects of the new Kuchma government

Kuchma was re-elected to a second term November 15, 1999, by a dispirited population against a depressing record of achievement. The election itself was a spotty process, criticized by international observers. It was followed by a volley of dismissals of regional officials who had failed to deliver the vote.^k

Kuchma's opponent, Communist Party of Ukraine (CPU) leader Petro Symonenko, had long favored a restoration of the Soviet Union and the abolition of the Ukrainian presidency. He campaigned on a leftist populist program to restore state planning, raise pay and make good on months of unpaid wages, and draw closer to Russia and Belarus. Seeking to profit from the anti-NATO backlash, he also pledged to repudiate the 1997 NATO-Ukraine Charter, ban joint military exercises in Ukraine with U.S. and NATO troops, discontinue Ukraine's role in NATO's Partnership for Peace program, and seek Ukraine's security within the Russian-sponsored Commonwealth of Independent States (CIS).²⁰

Kuchma cast himself as the candidate who would stem the return to Communism that he charged his opponent represented. In the days before the elections, the pro-government television saturated the audience with documentaries showing the oppressiveness of the Soviet regime in Ukraine. His platform had several key tenets:²¹

- Continued economic reform
- Governmental reform, including downsizing the bloated state apparatus and the creation of an upper house of parliament.
- More power for local government
- An eventual switch from conscription to a professional military

^k RFE/RL reports that Kuchma fired three governors after the October 31 first round and an additional two governors and at least six local officials after the runoff November 14. (RFE/RL, November 24, 1999.)

- A million new jobs and payment of wage and pension arrearages within six months
- Preservation of Ukraine's constitutionally mandated status as a nonaligned country.

The election was a victory—with qualifications. Symonenko lost, with about 38% of the vote. He had entered the November runoff with the support of other Leftist and pro-Russian candidates whose candidates had received (together with him) about 50 % of the vote in the first round two weeks earlier. Russia's high-profile support helped Kuchma among the important ethnic Russian and russified electorate—who might otherwise have voted against him. In all, the results confirmed the continuing strong position of Ukraine's Left even as they gave Kuchma a second term.

Prospects

Discussions in Kiev shortly before the election showed a widespread expectation of more of the same in the event of Kuchma's re-election. One Ukrainian commented that the choice was not between the present and the future, but between the present and the past. Another observed that the choice was in fact between yesterday and the day before. A third said it was a choice between "the death penalty and a very serious illness."²²

The U.S. will continue to stress the need for significant economic reform, a call that the EU and international financial organizations will sound as well. It is hard, however, to be optimistic given the record of several years and the systemic problems noted earlier. Moreover, some of Kuchma's election promises (payment of arrearages, job creation, professional military) will be highly inflationary unless offset by a workable tax system that has proved elusive to date.

On balance, the likelihood is for continuing economic crisis and a continued balancing act between West and East.

Perceptions of security

Ukraine's official view is that it faces no security threats from any country. To ensure that it does not signal that it sees Russia as a potential threat, Ukraine's inherited military structure is still divided into three operational commands—Western, Southern, and Northern—but not an Eastern one. Ukraine has not shared its classified security views, nor doctrine, with the U.S.

To a considerable degree, Ukraine's official line that it faces no foreign threats is consistent with the views of informed Ukrainians, who readily opine that Ukraine's major threat is the economy. That said, several concerns are on the minds of Ukraine's security community, although with no palpable sense of urgency. These include:²³

- Possible gas and oil claims in the Black Sea that might lead to dispute or hostilities. A prominent case involves the continental shelf near Serpent Island, to which both Ukraine and Romania have previously made claims. Despite formal agreement that the island is part of Ukraine, both countries have concerns over the potential for future disagreement relating to possible nearby drilling and exploitation.¹
- Disputed land borders with Romania, Slovakia, and Hungary. None is neuralgic.
- Some land border questions with Russia, largely resolved.

¹ Romania and Ukraine concluded an agreement in June 1997 which includes provisions regarding inviolability of borders. These formally lay to rest Romania's claims to northern Bukovina and Chernivtsi as well as southern Bessarabia and Serpent Island, which was annexed by the USSR and attached to Ukraine at the beginning of World War Two. Both sides also agreed to the demilitarization of Serpent Island. They also agreed to hold talks on the delimitation of the continental shelf and both states' exclusive economic zones in the Black Sea; and to take the issue to the International Court of Justice if no agreement were reached within two years from the start of such negotiations. See F. Stephen Larrabee, "Ukraine's Place in European and regional Security," *Ukraine in the World*, Harvard, 1998, pp. 263-4; and Stephen R. Burant, "Ukraine and East Central Europe," same, pp. 65-70.

- More difficult disputes with Russia over the delimitation of borders in the Sea of Azov and the Kerch Straits. Russia seeks an internal delimitation; Ukraine wants an international regime.^m
- Crimea remains a residual concern. One focus is Russia and a future irredentist claim to the peninsula or to Sevastopol. Such thoughts are a mainstay of Russian political rhetoric.
- Another worry relates to the peninsula's Crimean Tatar population, numbering over a quarter million. At times, the concern is tied to Tatar claims to autonomy or control of part of Crimea. Other times, it relates to Turkey's perceived sense of vested (some would say proprietary) interest in the Tatars. Most recently, a trendy concern has appeared that NATO, in the event of Crimean Tatar discontent or call for help, might intervene in their behalf as it did in Kosovo to help ethnic Albanians.
- Less tangibly, there is a sense that widespread regional chaos on land or sea cannot be ruled out given instabilities in the Balkans, North Caucasus, the southern Caucasus republics of Georgia, Azerbaijan and Armenia, and elsewhere.
- This sense of a "dangerous environment" is heightened by the fact that ethnic groups from all neighboring countries live in various parts of Ukraine, and because Ukraine is a major route for illegal immigration as well as drug and human trafficking.²⁴ Adding to potential difficulties is the involvement of Ukrainian mercenaries in most regional conflicts.

Relations with the United States

The United States is widely regarded, in official as well as popular opinion, as the most important Western presence in Ukraine. Its representatives have unrivalled access, its opinions carry weight, and its

^m The Russian side seeks a condominium regime in the Azov Sea, while Ukraine favors dividing that sea into national sectors. In the Kerch Strait, whose navigable channel runs closer to the Ukrainian than to the Russian shore, Russia wants a non-equidistant border and shared control of the channel, whereas Ukraine favors drawing the border along the median line and thus national control of the channel. (*Jamestown Monitor*, December 9, 1999.)

direct assistance is an important contribution to Ukraine's development and stability. So is its voice in international financial organizations, such as the IMF, which are critical lifelines for the economy.

America's vision of a future Ukraine is that of a stable, independent democratic state with a flourishing market economy.²⁵ To this end, the U.S. has an important assistance program and is the largest bilateral donor. (America's FY 2000 appropriation is \$180 million, well below the \$219 million requested and the FY 98 and FY 99 authorizations of \$225 and \$199 million, respectively).²⁶

The objectives of the U.S. assistance program are to promote economic growth, strengthen democratic institutions, and address critical social issues. Specifically:

- Activities to strengthen the economy. Objectives are to improve the investment environment, facilitate small and medium business development, and transform important sectors of the economy such as energy and agriculture.
- Assistance with democratic institutions. These focus on the development of civil society, rule of law, and effective local government.
- Social issues. Among these are reform of the pension and unemployment systems, improvement of health care delivery (including women's reproductive health), and strengthening non-government organizations that fill gaps in the social safety net.²⁷

To facilitate economic reform and improvement in public administration, the U.S. assistance program is placing increased emphasis on local, grass-roots activities. This includes support for small business development; work with private farmers in selected regions; strengthening citizens' groups, think tanks and other non-governmental organizations; and increasing the capacity of local government to implement reforms and promote economic growth.²⁸

The United States is also encouraging Ukraine to qualify for membership in the World Trade Organization (WTO), establish a favorable climate for foreign investment, and remove obstacles to trade.

Relations with other regional countries and European institutions

As noted earlier, Ukraine has border disagreements with several countries, none of them particularly dramatic by the standards of the region. Despite agreement in 1997 to respect each other's territorial integrity, one senses a lingering degree of mutual wariness between Ukraine and Romania.ⁿ Similarly, there is a certain wariness of Turkey, and the perception that Turkey regards the post-Warsaw Pact Black Sea as its special domain and the Crimean Tatars as a sort of ward.²⁹ That said, mutual relations are civil and even cordial. It is also a truism among most countries in the region (including Romania, Bulgaria, Georgia, Azerbaijan, and Turkey) that a stable, independent Ukraine is important for their own security.

Ukraine has close relations with Poland, often a historical enemy. Official ties are bolstered by a strong Kwasniewski-Kuchma friendship. Poland has a stake in the independence of Ukraine that amounts to a vital national interest and has its own aid efforts to boost Ukrainian economic reform. Poland and Ukraine have created a joint peacekeeping battalion.

Ukraine sets a high premium on Georgian independence and in recent years has given the Georgian coast guard and navy several small ships, as well as military training.

GUUAM

Ukraine has joined three regional countries—Georgia, Azerbaijan and Moldova—to form a rump caucus within the Russian-dominated CIS, along with Uzbekistan. The caucus, known as GUUAM, has resisted efforts at CIS economic integration and made a point of meeting as an independent subgroup within the CIS. GUUAM has voiced aspirations to be a security grouping in its own right. Moscow views it with barely veiled hostility.

ⁿ The wariness is larger on the Romanian side; for them, Ukraine is an immense neighbor.

Russia

Ukraine's relations with Russia have had some tense periods in the past decade. While Ukraine joined the CIS in 1991, it refused in January 1993 to join in a Russian plan for stronger political, economic, and defense links among CIS members.

The Crimean dispute with Russia includes the perennial question of whether Nikita Khrushchev's gift of Crimea to Ukraine in 1954 (at that time, a symbolic gesture) should be viewed as valid; and if so, whether it also includes Sevastopol. This debate, as well as a nascent Crimean independence movement, created enough tensions to prompt the establishment in 1994 of an international mission under the auspices of the Organization for Security and Cooperation in Europe (OSCE) to monitor the situation, mediate, and seek to prevent violence between the two countries.

Further irritants were Ukraine's open espousal of a Western option, in particular the European Union, and its early tilt toward NATO membership. President Kuchma's comments in May 1995 that a policy of neutrality was "nonsense" and that Ukraine was "not Switzerland"³⁰ were the kind of thing that set Moscow's teeth on edge.

A breakthrough in relations was signaled by the Treaty of Friendship, Cooperation, and Partnership signed in May 1997, along with the Black Sea Fleet Accords. Russia's acceptance of Ukraine's borders (read: acknowledgment that Crimea is part of Ukraine) was one major achievement. Agreement on the status of the Black Sea Fleet, discussed in more detail later, was another.³¹

The two countries have dropped earlier visa requirements but maintain customs controls and duties.

European institutions

Ukraine's relations with the European Union (EU) are important and frustrating for both sides. In 1994, the sides agreed on a Partnership Cooperation Agreement. To Ukraine's embarrassment, it took four years to be ratified by member states. In June 1998 President Kuchma signed

the National Strategy of Ukraine's Integration into the EU, which defined Ukraine's objective as full membership.

Ukraine's European vocation hinges on the EU and is a mantra of the Kuchma government. But Ukraine's economic weakness and poor record of reform, as well as criticism of its human rights practices by the Council of Europe, have made this goal a one-sided declaration. The EU has also not agreed to entreaties that it accept Ukraine's future membership "in principle." As an expert on the subject observed in mid-1999, "membership for Ukraine currently is not on the EU agenda, and is not being pressed by any of the member states."³²

In December 1999 the European Union prioritized 13 candidate nations for accession. Ukraine was not on the list—which included such new candidates as Romania, Bulgaria, and Slovakia. Instead, Ukraine was the subject of a separate declaration reaffirming that it has a strategic relationship with the EU and calling on it to make progress on reforms.³³

A number of Ukrainians within and outside the government are concerned that Ukraine's "special status" with the EU will become a permanent one.

The EU provides important economic and technical assistance to Ukraine (collectively, it is the largest donor) and cooperates with the U.S. to make the assistance efforts complementary. Germany, the UK, and the Netherlands are the EU states most active in Ukraine overall, while France has made important contributions in the area of nuclear safety

Ukraine is negotiating on membership with the World Trade Organization (WTO).

The European security order

NATO

In 1994, Ukraine became the first CIS member state to join NATO's Partnership for Peace Program. But Ukraine has had mixed feelings from the outset about its relationship with the Alliance. To a large degree, this ambiguity reflects Ukraine's sensitivity to the views of Russia, which sees Ukraine's membership in NATO as a threat to its vital national

interests. Ukraine's mixed statements about the first round of NATO enlargement reflected similar concerns. The 1995 view on enlargement was, "the later, the better for Ukraine."³⁴ By 1999, it had evolved into the view that the accession of Poland, Hungary, and the Czech Republic is "a significant contribution to stability in Europe."³⁵

Ukraine's relationship with NATO is defined in the July 1997 Charter on a Distinctive Partnership. Along with NATO's earlier "Founding Act" agreement with Russia, it is one of NATO's two high-profile special agreements, and aims to underscore the special quality of the relationship while avoiding a more binding obligation. Former U.S. Ambassador to NATO Robert Hunter described the Western dynamics relating to the Charter, noting that Ukraine:

...wanted whatever Moscow got, and would have preferred a founding act identical to Russia's. This was rejected by the United States and NATO for several reasons, including an unwillingness to water down the more significant relationship with Russia.... NATO wanted to be sure that the notion of "distinctive" could not be construed as "strategic." It wanted to recognize Ukraine's importance but avoid getting in the way of the emerging relationship with Russia.³⁶

Ukraine's view of NATO membership is that it is not a question for the present. NATO's view is that the door remains open, although with qualifications. Deputy Secretary of State Strobe Talbott commented in 1998 that:

Walking toward the open door of NATO... is a daunting challenge for a country as disadvantaged by history as Ukraine. It requires changing the entire shape and direction of society. That means courageous, forward-looking leadership from the top; it means making hard, often painful choices; and it means earning and maintaining the support of citizens....³⁷

Robert Hunter's candid assessment from mid-1999 is a useful gauge of Allied attitudes:

There is some debate about whether Ukraine will or should apply for NATO membership. The hope is that this does not

go very far because it is not going to happen, certainly not any time soon.... This will mean for Ukraine a greater effort on the Partnership for Peace and on the economic side, in short, efforts to make the relationship work and to sidetrack unwanted debate on NATO membership.³⁸

NATO's popularity at present is low as a result of the Kosovo campaign, although it is likely to regain some ground over time.

The prospect for the foreseeable future is that Ukraine will remain a NATO outsider, albeit with a special status.

Black Sea Economic Cooperation, and various Ukrainian confidence-building initiatives

Ukraine publicly supports the Black Sea Economic Cooperation pact (BSEC), a Turkish initiative from 1992. This loose grouping has a diverse membership, some with conflicting interests.^o In November 1999, President Kuchma proposed a free-trade zone for the Black Sea region, a new version of an idea that has surfaced before. Privately, Ukraine appears more skeptical about the BSEC. One Ukrainian expert calls it an initiative that has been "short on achievement and long on declarations" since it was first proposed.³⁹

Several Ukrainian initiatives are worth noting:

- A Central European Security Zone, proposed in 1993 and negatively received by prospective members as an anti-Russian grouping.⁴⁰
- Confidence-building measures proposed in 1994 to the BSEC Parliamentary Assembly, to include the reduction and limitation of naval activity. The initiative was later incorporated in a series of experts' meetings in Vienna on naval limitations.⁴¹
- A nuclear-free zone in Central Europe proposed in 1996. It was coolly received in the region and flatly rejected by Poland (which

^o Members are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine.

was then a candidate for NATO and feared the proposal would undercut NATO security guarantees).⁴²

- Various confidence-building measures designed for the Black Sea region and informally discussed with other countries in 1999. These include prior notification of some naval activities, annual exchange of naval information, naval base visits, and navy-to-navy contacts. (Conceptually, these measures seem to be linked to the Black Sea Naval Force, discussed next.)

Black Sea Naval Force

Along with all other littoral countries (including Russia), Ukraine participates in periodic discussions on this force, a Turkish initiative from 1998. As proposed, the force would act on-call and engage in such activities as training, rescue and humanitarian missions, environmental protection, and good will. It is still in the discussion stage. Some among Ukraine's security and defense establishment seem to favor the idea. Others regard the idea with suspicion and view it as serving Turkey's interests. (Some within this group go further and [inaccurately] regard it as a Turkish initiative made at the behest of the U.S.) There is also an interest on the Ukrainian side in waiting for a clearer sign of Russia's attitude toward the initiative.⁴³

Defense issues

Ukraine inherited a cumbersome armed forces establishment with about 780,000 military personnel in 1991, designed for Soviet military considerations and far too large and expensive for Ukraine's needs. It has reduced this number below 330,000, of which over half are ground forces.⁴⁴ It is still a bloated establishment, as Ambassador Robert Hunter notes wryly:

Ukraine currently has the lowest ratio of national defense budget to number of people under arms in the world. There are lots of mouths to feed, and little left over. The government is keeping officers in uniform to keep from having to find housing for them.⁴⁵

Ukraine's navy⁴⁶

The Ukrainian navy is a small force with a nominal warfighting capability, extreme resource problems, and a mission devoted to coastal protection, showing the flag, and exercising with other navies, Western and Russian.

At under 16,000 men and women, the navy represents about 5% of Ukraine's armed forces personnel. Ethnic Russians make up the majority of the navy, and about half of the flag officers. Ukrainian is the official language for work; Russian tends to be the default language during breaks and off duty. As with Ukraine's inherited military as a whole, there can be ambiguity over whether one serves a nation or an employer; and, particularly among the older personnel, there is what one observer calls "a certain identity crisis largely based on memories of the privileged status and global role of the military in the Soviet Union."⁴⁷ Because of downsizing efforts there is a tendency toward a top-heavy military with a lack of capable junior officers.⁴⁸

Ukraine's policy of balancing relations with East and West blurs discussion of security issues and ensures a certain ambiguity in its military doctrine, as well as a stress on its neutrality.⁴⁹

Rear Admiral Mykhailo Yezhel, Chief of Ukraine's Navy, has defined aspects of its role in public statements. It is avowedly defensive: "...Our mission is control of our national shores and waters in economic terms... We are neither prepared nor preparing for war." Elements of the mission include:

- Protection against smuggling, illegal immigration and seaborne aggressors
- Protection of lines of communications and Ukrainian commerce
- Support for peacekeeping operations
- Support for disaster relief and humanitarian operations.⁵⁰

About 85% of the navy's overall budget goes to the key personnel costs—pay and board for enlisted personnel—with the meager balance available

for routine naval operations and maintenance. Wages are often paid several months in arrears, a practice common throughout Ukraine's public sector.

The Ukrainian fleet was acquired by division of the Soviet Black Sea Fleet. It consists of about 160 ships, of which about 36 are small surface combatants and amphibious vessels. Only about a dozen are operational. The two best known—and the only ones based at Ukraine's naval headquarters in Sevastopol—are the fleet's command ship and flagship.^p

While Sevastopol is the best-known Ukrainian naval port and the young fleet's headquarters, most of the Ukrainian navy is elsewhere. There are two operational commands. The Western Maritime Region is commanded from Odessa, which is also home to a minesweeper. The Southern Maritime Region is commanded from the vicinity of Donuslav, up the Crimean coast from Sevastopol. (The Eastern Maritime Region, publicly proposed to be at Kerch, has been delayed, apparently in deference to Russian sensitivities.) The fleet's lone submarine is at Balaklava Bay, where it has for several years floated immobile, listing and rusting. There are a number of other naval facilities at other locations, but without operational combatants.

As part of a reorganization of the Ministry of Defense, the Ukrainian navy transferred all its tactical combat aviation and many of its bases to the Ukrainian air force. It retains air transport capabilities and other fixed-wing and helicopter assets, but only a fraction of these seem to be operational. Lack of resources severely limits flight time. Helicopter pilots, for example, are rarely able to fly the required 40 hours per year needed to remain qualified.

Ukraine's naval infantry consists of a brigade of naval infantry and a coastal artillery brigade. These are based near Feodosia and in Sevastopol.

Sevastopol

Sevastopol is an unusual town. Long the home of the Soviet Black Sea Fleet, it is now marked by two constituencies. One is the largely

^p The command ship *Slavutich* and the frigate *Hetman Sahaidaichniy*.

unemployed shipbuilding, maintenance, and related industrial base. The other is the impressive number of retired naval personnel from all over the former Soviet Union who have clustered disproportionately at Sevastopol, with its Mediterranean climate and naval tradition. As a whole, these retirees and their families deplore their Ukrainian status, consider Sevastopol a Russian town, and would rather be reintegrated into a new union led by Russia. They dislike NATO, resent the United States, and vote Communist.⁹

Black Sea Fleet Accords

After several years of posturing and debate, Ukraine and Russian signed agreements May 28, 1997[†] that included disposition of the old Soviet Black Sea Fleet. Full of charged issues, the negotiations barely focused on ships (a matter of such relatively low priority that an inventory of the vessels was not conducted until late in the talks). Key provisions⁵¹ included:

- A 50-50 division of the Fleet's vessels, with the understanding that Russia would buy back some of the ships with cash;
- A 20-year lease for Russia of ports and land in and near Sevastopol for \$97.75 million a year, in addition to other payments. The lease is renewable for five years. The payments will be written off against Ukraine's energy debt to Russia.
- Agreement that Crimea (including Sevastopol) is part of Ukraine.

The accords also specified that no nuclear weapons were to be deployed in Ukraine. Russian warheads were reportedly withdrawn to Novorossisk.⁵²

The agreements raise some intriguing questions. One deals with Russia's plans for a future Black Sea Fleet headquarters, given the paucity of alternatives (Novorossisk is a poor substitute). Another concerns

⁹ Sevastopol has been given special status in Ukraine and is administered from Kiev, separate from the rest of the Crimea. Its mayor, appointed by Ukraine's President, tends to be open to foreign visitors.

[†] Finally ratified in early 1999, when the Russian upper house voted approval.

Ukraine's views, given its position that Russia's lease is a temporary, transitional arrangement. A third is whether NATO membership for Ukraine would be compatible with an active basing agreement with Russia. Today, these questions seem remote; they may become more actual as one approaches the 20th anniversary of the accords in 2017.

Border Guard and Coast Guard

The border guard, the largest of Ukraine's paramilitary organizations, numbers 43,000 personnel. It includes the maritime border guard, part of which is the coast guard, with an estimated 14,000 personnel. The border guard's primary function is to man border check points and carry out routine passport and customs inspection. The coast guard operates 20 Stenka-class patrol boats and an undisclosed number of riverine craft. It also has under construction an estimated 10 67-meter offshore patrol vessels. The maritime border guard also has an independent air capability.⁵³

A military balancing act

As noted earlier in discussion of political developments, Ukraine is careful to balance its foreign policy between the West and Russia. Similar considerations apply to defense and military issues. Some examples:

- At Ukrainian request, the exercise Sea Breeze '99 was broken into two parts. The sea portion was moved from the Black Sea to the Med, and the ground forces portion (proposed for the summer) was delayed until after the November elections—and altered to be a simulation rather than an exercise involving real forces. Both Russian sensitivities and domestic political concerns were behind the changes.⁵⁴
- Ukraine has balanced the time and content in Western and Russian exercises. For example:
 - Ukraine's flagship took part in the NATO-sponsored Black Sea PARTNERSHIP-99 exercises September 20-25. It included naval support for NATO-led peacekeeping

operations on land (a controversial post-Kosovo topic). This exercise was balanced by a large Ukraine-Russian joint naval exercise September 18-21 in the Black Sea devoted to peacekeeping operations. Here, the scenario featured a combined response to a third country's armed insurgency activated by an earthquake.⁵⁵

- Ukraine, Georgia, and Azerbaijan held exercises in Georgia April 13-19 with a controversial theme focusing on pipeline protection. This was balanced by Ukrainian and Russian naval exercises April 19-24, featuring a joint sea rescue operation.⁵⁶
- Secretary Cohen's two-day visit to Ukraine in 1999 included meetings with President Kuchma and extensive contact with Defense Minister Kuzmuk. The final day, July 31, was spent with Kuzmuk touring Crimea. Sevastopol was conspicuously not on the itinerary. The next day was Ukraine Navy Day—also, Russian Navy day—and Kuchma came to Sevastopol and gave a speech celebrating both navies. Other events⁵⁷ to commemorate this occasion included joint displays in which the two navies exited Sevastopol Bay through mined waters; destroyed enemy submarines that had suddenly blocked the bay; and fought enemy warships and aircraft.
- Ukraine does not share its security doctrine with the U.S.; it probably has a section on Russia.
- As noted earlier, Ukraine is reluctant to create a fourth, Eastern command, because of Russia's sensitivities.

Prospects

The Ukrainian CNO, Vice Admiral Yezhel, has said recently that he needs 26,000 personnel for future force needs. Given Ukraine's present economic constraints and continuing downsizing of the Ukrainian military, we see little prospects for growth in the navy in the next several years. Rather, most resources will likely go into paying and feeding personnel and operations and maintenance, with little left for expansion or new procurement.

The context for engagement

American engagement is important to Ukraine. In the words of a former U.S. ambassador, it can be “an anchor on the Western side” in the to-and-fro between Russia and the West that has come to characterize the Ukrainian government.⁵⁸ It is especially valuable because:

- American engagement in the defense area can be more flexible than NATO’s more elaborately pre-planned official PfP activities;
- The U.S. can capitalize on more residual popularity than NATO;
- At times, other Western “anchors” such as the EU, NATO, or the IMF are inactive or out of public favor.

Ukraine is an easy sell on engagement activities; indeed, it is sometimes enthusiastic to a fault, accepting commitments beyond what it can fulfill. Naval engagement activities are popular for several reasons, but key among these is that they provide the lion’s share of time at sea for a force that otherwise measures out-of-port time in days per year, if any. This applies to U.S.-subsidized bilateral and multilateral exercises as well as spring and fall bilateral exercises with the Russian Black Sea Fleet; it is why an exercise offer from either navy is almost never turned down.

Ukraine maintains a highly active schedule of exercises. Several scheduled naval activities in the 1999-2000 timeframe are worth noting. SEA BREEZE 99 was divided into a July maritime Tack 1 in which two Ukrainian ships sailed to Haifa from Sevastopol to a portside conference aboard U.S. and Ukrainian ships and a subsequent PASSEX in the Eastern Med and Aegean; and Tack 2, a December Ukraine CPX. Two other significant events are NATO PfP exercises hosted by Ukraine: COOPERATIVE SUPPORT in October 1999 in Odessa, and COOPERATIVE PARTNER in the Black Sea in 2000.

Suggested activities

Beyond such high-profile exercises, there is value in trying to structure formative engagement activities that respond to real or potential regional and local concerns encountered in Ukraine.

In preparing this study, we repeatedly asked respondents to identify engagement activities that would be most useful to Ukraine as a society. We soon saw a pattern. The replies of the current U.S. Ambassador and his two predecessors are instructive. They focus on humanitarian assistance, disaster relief, terrorism, border control, and environmental protection. It is also significant that all three ascribe a high value to U.S. engagement as a way to show interest and support—and to “anchor” Ukraine at a time of countervailing tugs between East and West.

Following is a digest of suggestions for possible engagement activities received during travel or interviews. They are similar to the priorities mentioned by Ukrainian CNO Yezhel, discussed in the preceding section.

- Disaster relief and humanitarian assistance
- Coastal surveillance.
- Smuggling and immigration. Like the other littoral countries, Ukraine is concerned about smuggling and illegal immigration.
- Search and rescue.
- Oil spills. Black Sea oil issues are topical with regard to transit as well as potential extraction in the Black Sea.
- A former ambassador suggested activities aimed at reshaping Sevastopol or Balaklava into tourist attractions.⁵

Ukraine is a good candidate for one of NAVEUR’s first extended ship visits, or “shaping availabilities,” offering a menu of functional specialties and workshops designed to affect a broader audience. Odessa, rather than Sevastopol, would be the best location.

Possible DOE-Navy project

One possible candidate for NAVEUR naval engagement with Ukraine has emerged from NAVEUR (and CNA) discussions with the Department of Energy. It has promise beyond Ukraine, in the regional setting as well.

⁵ For example, by bringing together representatives from tourism, the hospitality industry, and cruise lines.

Under the aegis of the Black Sea Environmental Initiative, the Department of Energy organized a seminar in Odessa Sept 14-16, "Regional Oil Spill Contingencies, Planning and response." Representatives from all six littoral states took part, as did a representative from the Navy's Superintendent of Salvage office. Participants agreed to the following work program:

- Hold Legislative Issues workshops in each country. The first was scheduled to be held in Bulgaria in March.
- Reconvene the Odessa group in Romania in May to review progress, issues, and next steps. The goal is to complete plans and have an operational regional plan by the end of 2000.

DOE would welcome USN help with in a joint venture:

- Civil/Military cooperation. Bring together the civil authorities responsible for emergency response and the navies from the six countries to talk about issues associated with working together in oil spill situations. These countries need to use all the resources available to them. Too often, the navies are reluctant to get involved. The USN has experience in cleaning up oil spills and could play an important role in modeling the concept of civil-military cooperation sharing practical information on how it can work. (Informally, a DOE source mentioned that funding of about \$80,000 would be needed.)
- DOE would also like to work with the Navy on oil spill workshops associated with port calls, including the key matter of getting local civil authorities involved. (This would be a separate activity.) The Coast Guard would have a significant role to play in this part of the program, as it possesses the relevant equipment and substantive expertise

This is an opportunity to have an impact on a regional basis and to:

- Influence a body of civil and naval trouble-shooters from six countries
- Lead in a project that should have broad appeal beyond political leanings in the various countries

- Engage the Russians on a matter of self-interest to them which is also in the broader regional interest.

Navy engagement linkages with environmental protection and cleanup in the Black Sea would advance some important U.S. goals:

- Leadership now exercised by the DOE presents opportunities to work with, and through, existing U.S. programs
- Navy contributions to environmental programs would reach elements in the host Black Sea countries that have some chance of institutionalizing and building on Navy contributions.
- Multilateral environmental programs in the Black Sea would bring all six countries together over problems they all acknowledge are very serious, and demand strong governmental intervention. The effort might spawn other cooperative approaches and habits of multilateral cooperation, overcoming bilateral tensions.
- Navy engagement in environmental programs in the Black Sea may offer a more effective way to bring Russia into a regional framework than more traditional military-to-military activities. The Russian military (and nationalist politicians) tend to see PfP exercises, and U.S. Navy activities outside the NATO umbrella, as putting Russia at a disadvantage and as potentially humiliating, given the poor state of the Russian Black Sea Fleet.
- The U.S. Navy has skills and equipment that are directly relevant to environmental threats, especially oil spills.

On the other hand, the Navy should bear in mind that:

- Payoff will be slow. The results, in terms of broad U.S. regional goals, may not be apparent for years. The Navy should not try to measure progress on broad goals year by year. Technical progress in improving country and regional environmental performance will be more measurable.
- Environmental cooperation may only marginally affect regional stability, which will be largely determined by other factors. Environmental constituencies in all six countries are not at the

center of policymaking, and may face serious opposition at a time when economic reconstruction is the priority goal.

Areas singled out by SECDEF and DEFMIN

On December 3, 1999, Secretary Cohen and Defense Minister Kuzmuk listed 21 priority areas for cooperation between the two countries in 2000⁵⁹. These include several that seem potential candidates for engagement activities:

- Military medical cooperation
- Environmental security cooperation
- Military-technical cooperation.

Bear in mind

Several other considerations are worth bearing in mind in pursuing these or other engagement activities:

- Ukraine tends to say “yes”—but often doesn’t follow up or uphold its own end.
- In many cases, activities could be multilateral and might benefit significantly as a result.
- Sevastopol and most other naval venues are isolated from Kiev and from national society. (Odessa is an exception.)
- Activities and exchanges should focus whenever possible on the younger officers and NCOs—both to foster professionalism and to avoid excessive focus on the older personnel, who may be carrying Soviet-era baggage, or be self-perpetuating repeat participants.
- Invite Russians whenever possible. This helps Ukraine in its bilateral balancing act with Russia. Russia rarely accepts.

Avoid scenarios that may cause trouble. SEA BREEZE 97, which suggested NATO siding with Ukraine against a Russian-backed revolt in the Crimea, is a classic case of such a scenario.⁶⁰

Endnotes

- ¹ CIA *World Factbook*, Ukraine, 1999.
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- ³ RFE/RL (Radio Free Europe/Radio Liberty) *Newsline*, November 15 & Nov, 30, 1999.
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- ⁵ EIU, *Profile*, p. 17.
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- ⁸ Former U.S. Ambassador to Ukraine William G. Miller, in Center for Strategic and International Studies (CSIS), *Ukraine in Europe*, September 1999, p. 16. On December 4, 1999 Kuchma abolished collective farms, decreeing that their land and property must be divided among their workers by April, 2000 (RFE/RL *Newsline*, December 6, 1999).
- ⁹ EIU, *Ukraine Country Report*, 2nd Quarter, 1999, p. 17.
- ¹⁰ Sherman Garnett, "Ukraine and Russia" in CSIS, *Ukraine in Europe*, p. 43.
- ¹¹ USAID, FY 1999 Freedom Support Act submission, p. 253.
- ¹² Richard W. Murphy in CSIS, *Ukraine in Europe*, p. 2.
- ¹³ EIU, Report, p. 30.
- ¹⁴ Oleg Pavliuk, *The European Union and Ukraine*, East-West Institute, 1999, p. 15.
- ¹⁵ Department of State, Office of Research, *Russia/NIS Opinion Alert*, October 13, 1999. Polling conducted September 16 - 29 by the Kiev International Institute of Sociology.
- ¹⁶ Interview, October 1999.
- ¹⁷ *Jamestown Monitor* [JM], October 12, 1999.
- ¹⁸ JM, November 17, 1999
- ¹⁹ RFE/RL, December 1, 1999
- ²⁰ JM, September 1, 1999; RFE/RL, November 15, 1999.
- ²¹ JM, October 13, 1999; RFE/RL, November 15, 1999.
- ²² Interview; Article by Volodymyr Zvighyanovich in *Jamestown PRISM*, No. 15, August 1999; *The Economist*, November 20, 1999, p. 64.
- ²³ Source: conversations with knowledgeable individuals.
- ²⁴ Pavliuk, cited above, pp. 28-29.
- ²⁵ See Department of State, *Background Notes for Ukraine* (June, 1997) and statements at beginning of this study.
- ²⁶ The wording of the appropriation bill is that "not less than \$180 million should be made available for assistance to Ukraine." This is not a "hard" earmark and gives the Administration the option to adjust the figure (upward) in drawing up its budget. USAID's request for FY 2000 was \$219 million. FY 98 and FY 99 authorizations were \$225 and \$199 million, respectively. Sources: AID communication; *The Ukrainian Weekly*, December 5, 1999.

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- ²⁷ USAID, Congressional Presentation FY 2000: Ukraine.
- ²⁸ Same.
- ²⁹ Source: author's observations.
- ³⁰ As quoted in Stephen Larrabee, "Ukraine's Balancing Act," *Survival*, Summer 1996, pp. 146-165.
- ³¹ The treaty was finally ratified by the Russian parliament in 1999. For a Russian view of the treaty, see "Russian-Ukrainian Treaty Ratified," *International Affairs*, No. 2, 1999. On the Black Sea Fleet accords, see Tyler Felgenhauer, *Ukraine, Russia and the Black Sea Fleet Accords*, Woodrow Wilson School Case Study 2/99, Princeton University.
- ³² John van Oudenaren, "Ukraine, Germany and the European Union" in CSIS, *Ukraine in Europe*, p. 21. (For an informed discussion of the subject from a Ukrainian vantage, see Pavliuk, cited earlier.)
- ³³ Documents from European Council Helsinki meeting, December 10-11, 1999.
- ³⁴ First Deputy Minister (now Foreign Minister) Tarasiuk, quoted in Stephen Larrabee, cited earlier, p. 146.
- ³⁵ President Kuchma in "Declaration of Heads of Government participating in the NATO-Ukraine Commission Summit" in Washington, April 24, 1999.
- ³⁶ Robert E. Hunter, "Ukraine, NATO, and the U.S." in CSIS, *Ukraine in Europe*, pp. 39-40.
- ³⁷ Talbott at Workshop on Ukraine-NATO Relations, April 8, 1998.
- ³⁸ Hunter, cited above, p. 41.
- ³⁹ Interview, October, 1999. The *Jamestown Monitor* has called BSEC a "stillborn" organization whose fourth summit in 1998 was as "irrelevant as the previous meetings." (JM, June 8, 1998)
- ⁴⁰ See F. Stephen Larrabee, "Ukraine's Place in European and regional Security," *Ukraine in the World*, Harvard, 1998, pp. 262-3.
- ⁴¹ A. Levtchenko, *Ukraine in the Black Sea and Caspian Regions*, Kiev, 1999, pp. 18-19
- ⁴² Larrabee, 1998.
- ⁴³ Levtchenko, pp. 19-23
- ⁴⁴ *Armed Forces of Ukraine*, web site of Ukrainian Embassy in Washington, D.C. See also John Jaworsky, "Ukraine's Armed Forces and Military Policy," *Ukraine in the World*, Harvard, 1998, pp. 223-241.
- ⁴⁵ Hunter, cited above, pp. 39-40.
- ⁴⁶ Much of the information in this section is from interviews; Andrew Toppan, *World Navies Today*, www.uss-salem.org; and an unclassified fact kit on Ukrainian Naval Forces compiled by the U.S. Naval Attaché in Kiev.
- ⁴⁷ Jaworsky, cited above, p. 239.
- ⁴⁸ Jaworsky, pp. 230-231.
- ⁴⁹ Same, 236.
- ⁵⁰ Sources: same as in note 52, and Stefan Korshak, "Development of Ukrainian navy hindered by shortage of funds," *The Ukrainian Weekly*, September 6, 1998.
- ⁵¹ See Tyler Felgenhauer, *Ukraine, Russia and the Black Sea Fleet Accords*, Woodrow Wilson School Case Study 2/99, Princeton University; and James Sherr, "Russia-Ukraine *Rapprochement*?: The Black Sea Fleet Accords," *Survival*, No. 3, 1999, pp. 33-50.

cited above; and

⁵² *Jamestown Monitor*, August 11, 1998

⁵³ International Institute for Strategic Studies (IISS), *The Military Balance, 1998-99*; and Periscope service.

⁵⁴ Interviews, various, 1999.

⁵⁵ *Jamestown Monitor*, September 22, 1999 and interviews.

⁵⁶ Same, April 20, 1999.

⁵⁷ *Leos-Inform* news service, July 28, 1998, "Russian navy day in Sevastopol."

⁵⁸ Interview with former U.S. Ambassador to Ukraine Roman Popadiuk, August 1999.

⁵⁹ *Plan of Cooperation between the Ministry of Defense of Ukraine and The Department of Defense of the United States of America*, signed December 3, 1999.

⁶⁰ *Jamestown Monitor*, October 28, 1998; John Jaworsky, "Ukraine's Armed Forces and Military Policy," *Ukraine in the World*, Harvard, 1998, p. 239, and interviews.

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Romania

Summary

Romania has fared poorly since the overthrow of the Ceausescu dictatorship in 1989. GDP has fallen for the past three years, inflation was 55% in 1999, and polls indicate that Ion Iliescu, a barely reformed Communist who led Romania from 1990 to 1996, is the front-runner for the next presidential elections in late 2000. Prospects are discouraging for a significant improvement in Romania's depressing economic and governmental performance. Romania pins its hopes on EU and NATO membership. Relations with the United States are excellent. America is admired and seen as the key nation to NATO entry. U.S. assistance focuses on economic reform, democratic institutions, and health and welfare.

- Romania sees its security as closely linked to regional stability, which it views as poor because of violent regional conflicts and new, floundering states. It worries about terrorism, piracy, smuggling, and illegal immigration. Romania also worries about possible gas and oil claims in the Black Sea. One source of concern is Serpent Island, whose ownership Romania has historically disputed with Ukraine, which it views as a large, somewhat menacing neighbor.
- Romania has close military ties with Turkey. Relations with Russia, a significant economic partner, are normal, and Russia has accepted the reality of a Western-oriented Romania. Romanians worry that Russia might revert to its former Soviet self, perhaps together with Ukraine.
- Relations with the United States are excellent. America is admired and seen as the key nation to NATO entry. U.S. assistance focuses on economic reform, democratic institutions, and health and welfare.

- The European Union (EU) is central to Romania's European vision. In 1999, the EU accepted Romania as one of the 13 official candidates for membership, albeit in the slower category of six. Prospects are good for eventual admission, but the interim could be a long one given Romania's chronic economic problems.
- NATO is the other pillar of Romania's Western aspirations. Romania took hard NATO's 1997 exclusion of its candidacy, and recognizes that both economic performance and military reform will be needed to qualify. Prospects at this writing point to eventual full membership, although Romania's erratic economy and politics may be an obstacle for years to come. A new leftist government could take the country off the path toward NATO.
- Romania's armed forces totaled 320,000 before the collapse of Communism. They are about 180,000 now and scheduled to drop to 140,000 by 2005. Land forces are over half the total.
- Romania's navy technically numbers approximately 22,000 and accounts for some 8% of the defense budget. When one subtracts naval infantry and conscripts, the professional navy numbers only about 4,500 persons. Ships are in relatively good condition, the product of a substantial indigenous shipbuilding industry. Time at sea is miniscule for most vessels and personnel, measured in single-digit days per year.
- Headquartered at Constanza, several hours from Bucharest, the navy is the service least effectively represented in Bucharest. Typically, it is last in line for money.
- There is a serious gap in vision and policy between Romania's navy and General Staff. The General Staff sees the navy's primary mission as coastal and riverine. It is supported in this view by a 1999 OSD/EUCOM report assessing Romanian defense. The Romanian navy, by contrast, sees a blue-water capability as necessary in the Black Sea and the Mediterranean—to protect Romanian merchant shipping, enhance regional stability, and work more closely with NATO navies.
- Romania's navy strongly supports naval engagement activities and welcomes the maximum possible American presence and

involvement. Reasons include the parochial (such as support for its blue-water aspirations in the debate with the MOD), but could also include American involvement as a stabilizing factor in a treacherous regional environment.

- The U.S. Navy should continue a level of ship visits, PfP and bilateral exercises, flag visits, exchanges, and other traditional activities that will keep it in close contact with its Romanian (and Bulgarian) counterparts and provide tangible evidence of U.S. support for the two countries.
- Suggestions for activities that we heard in Romania include search and rescue; naval control of shipping; counter-smuggling activities; and control of illegal immigration. Another idea focuses on seminars on topics like freedom of navigation, refueling, embargo, and convoy protection. Given Romania's involvement with Danubian shipping, riverine exercises are another possibility.
- Some of the suggested activities could be logical candidates for U.S. Coast Guard engagement. Anecdotal information suggests some reluctance on the part of the Romanian navy to work with the U.S. Coast Guard as opposed to the U.S. Navy, and we recommend that the Coast Guard's role in future engagement activities be assessed in light of evolving Romanian attitudes.
- Until there is more agreement between the Romanian navy and the General Staff and defense ministry, we recommend a prudent approach toward initiatives that have the potential to incur additional Romanian expenditures or serve to reallocate priorities within the defense budget.

U.S. policy goals

A democratic and free market Romania is of paramount importance to the United States. Continued progress in Romania serves to fortify the deepening democratic and free market traditions in the whole of Southeast Europe. Success will bring stability and prosperity to a country with great potential and with a pivotal position near strife-riddled areas

and countries still trying to make the transition. Success will facilitate expanded trade not only between the United States and Romania, but with the rest of Europe as well, thereby accelerating Romania's integration into the west. Failure could plunge Romania into worsening poverty and humanitarian conditions, produce gains for extremist political parties, exacerbate environmental problems, and undermine the delicate progress being achieved throughout the region. Therefore, assistance (to strengthen democracy and economy) supports U.S. economic, democracy, global and national security interests.

--U.S. Agency for International Development,
Congressional Presentation, Fiscal Year 2000

Our goal is to find additional ways to help Romania prepare to take its rightful place in the various institutions that make up the Euro-Atlantic community, notably including the one whose name President Clinton heard chanted so insistently on the square [in 1997] -- the North Atlantic Treaty Organization. The foundation of that superstructure is a shared commitment to certain ideals: democratic governance, civil society, sustainable development through the dynamism of the free market, the rule of law, pluralism in politics and tolerance in society, full rights for citizens belonging to ethnic and religious minorities, civilian control of the military, and, in international relations, respect for the territorial integrity of states and the pursuit of the peaceful settlement of disputes.

--Deputy Secretary of State Strobe Talbott, Address at Bucharest University, Bucharest, Romania, March 19, 1998.

The domestic situation: political and economic considerations

Background

Romania's population is about 22.3 million. The major ethnic groups are Romanian (89%) and Hungarian (9%), with a smaller but significant

population of Gypsy (Roma), German, Ukrainian, Serb, Croat, Russian, and Turkish minorities.¹

Modern Romania dates from the unification in 1859 of two principalities that had been part of the Ottoman Empire: Moldavia and Wallachia. In World War One, Romania was allied with the Entente and the United States. At war's end, it gained important territories to which it had traditionally laid claim (including Transylvania from Hungary and Bessarabia and Bukovina from Russia). It was allied with the Axis in World War Two, and in 1941 joined Germany to invade Russia and recover Bessarabia and Bukovina (which Russia had seized in 1940). It switched sides in 1944 and joined the Allies, going on to fight Germany in Transylvania, Hungary, and Czechoslovakia. Russian forces occupied Romania in the late stages of the war, staying until 1958.

In 1947, the Communists gained control and ruled until 1989. Nicolae Ceausescu took power around 1965. In the ensuing years, he became a paradoxical figure. On the one hand, he turned Romania into one of the most fearsome and dictatorial police states in the world – comparable to Albania and North Korea rather than to its Warsaw Pact allies, totalitarian as those were. On the other hand, he flouted the Soviet Union, refused to join in the invasion of Czechoslovakia in 1968, and for years was a favorite of the West, honored by U.S. and European leaders. He forcibly urbanized the peasantry, capriciously created irrational industry, worked people to death through catastrophic public works projects, and used all available resources to pay off international debts ahead of schedule. In the process, he ruined the Romanian economy beyond what Communist rule as practiced elsewhere could achieve. The Ceausescus, overthrown, were killed December 25, 1989.

Independent Romania

In 1990, a coalition led by a former Communist Party official – Ion Iliescu—was voted into office. Iliescu stayed at the helm six years, presiding over a period that saw strong economic decline, high inflation, and lip-service to economic reform. Variousy described as “ex-communist apparatchiks” and “barely reformed communists,”² the Iliescu presidency was voted out in 1996 in a close election.

The new president, Emil Constantinescu, got off to a strong start with an ambitious plan for economic reform—which soon ran into trouble. Erratic planning and political opposition ensured that specific programs did not take effect. GDP fell about 7% in 1997 and a further 7.3% in 1998. Inflation the same year was about 59%. Late in 1998, the European Union (EU), to which Romania aspires, published a report saying that Romania had made no progress towards the creation of a functioning market economy over the previous year.³

Politically, the Constantinescu coalition is a mix of right-of-center Liberals, Peasants, Social Democrats, and ethnic Hungarians. Lack of a clear political center of gravity as well as policy failures and disagreements have brought lack of continuity to the government. In 1998, the ruling coalition sacked the Prime Minister (Victor Ciorbea), two economics ministers, as well as ministers for foreign affairs, defense, finance, privatization, and industry.⁴

1999 was another troubling year economically and saw another display of abrupt government change. GDP fell further (early estimates suggested a 4% decline⁵), with earlier problems compounded by regional trade disruption as a result of the Yugoslav and Kosovo campaigns. Inflation was 55%.⁶

Politically, the year ended with another abrupt government change as the President fired the Prime Minister (Radu Vasile) December 14 after coalition parties and government ministers said they could no longer work with him.

Goals and prospects

The new Prime Minister, Mugur Isarescu, listed his goals for the year 2000 as follows: to limit the deficit to 3% of the GDP, keep inflation below 25-30%, and aim for a growth rate of at least 1.3%.⁷ He has also suggested that he sees his job as an interim stewardship and wants to limit his time in office to as short a period as possible. We would anticipate that the new government will soon add a set of economic reform measures to its short- or medium-term goals. It will also hew to its immediate predecessors' strong Western orientation—anchored in NATO and the EU—of its immediate predecessors.

The track record of the governing coalition is poor. So are its prospects for radically improving its *modus operandi*—and with it, Romania’s depressing economic performance.

Beyond this, there is no clear view from today’s vantage of the future Romanian government. The next presidential election is in late 2000 (date to be determined). Current polls indicate the governing coalition in third place, with the most popular candidate former President Ion Iliescu, head of the opposition Party of Social Democracy in Romania, who led Romania in 1991-96.^a If so, there are uncertainties over what a group that has a track record substantially poorer than today’s governing coalition and was once dubbed “ex-communist apparatchiks” and “barely reformed communists” by the *Economist*⁸ would contribute to the nation in the years ahead.

Perceptions of security

Romania’s National Military Strategy is defensive. It posits no potential enemies and envisages defense capabilities against all horizons—a variant of the French *tous azimuts* approach (the Romanians have borrowed the all-azimuth expression as well).⁹

At the same time, Romanian civilian and military thinking focuses on a number of contingencies and sees a significant threat environment. Apart from lessons drawn from a difficult history and perhaps some tendency to dramatize events, there is a coherent set of issues that, from Bucharest’s vantage, warrant prudent planning.

Romania sees its security as closely linked to regional stability and to regional norms of civil and orderly behavior. It sees itself as having an important stake in and responsibility for the Danube, the more so since the Constanza-Danube canal provides an effective link to the Danube-Rhine canal, and hence to Rotterdam. Like other littoral countries, it is keenly aware of the growing importance of energy transit through the

^a RFE/RL *Newsline*, December 21, 1999. If elections were held “today,” Iliescu’s group would get 40% of the vote, the opposition Alliance for Romania 18.7%, and the governing Democratic Convention of Romania 18.1%.

region and continues to aspire to an important role as a pipeline link to European markets.

The following areas of concern emerged in briefings and interviews in Romania in October 1999:

- Possible gas and oil claims in the Black Sea that might lead to dispute or hostilities. A prominent case involves the continental shelf near Serpent Island, a small piece of land under Romania's control from 1878 until its annexation by the USSR in the 1940s, to which both Ukraine and Romania have previously made claims. Despite formal agreement that the island is part of Ukraine, both countries have concerns over the potential for future disagreement relating to possible nearby drilling and exploitation. Romanians also expressed concern over the possibility of use of force should there be a collapse of government in Ukraine or some form of major regional chaos.
- Other concerns relating to Ukraine—which is seen from Bucharest as a very large neighbor and, through most of the century, as the adjacent part of the Soviet Union. These include traditional border disputes, many stemming from forcible border changes related to World War Two. While formally laid to rest in a 1997 agreement, they are still cited in Romania as active grounds for concern.^b Other worries focus on the idea that Ukraine might draw closer to Russia, putting some new version of the Soviet Union back on Romania's frontier.
- A history of tension with Hungary over the border region, fueled by sizeable numbers of Hungarians in Romania.

^b Romania and Ukraine concluded an agreement in June 1997 which includes provisions regarding inviolability of borders. These formally lay to rest Romania's claims to Northern Bukovina and Chernivtsi as well as southern Bessarabia and Serpent Island, which was annexed by the USSR and attached to Ukraine at the beginning of World War Two. Both sides also agreed to the demilitarization of Serpent Island. They also agreed to hold talks on the delimitation of the continental shelf and both states' exclusive economic zones in the Black Sea; and to take the issue to the International Court of Justice if no agreement were reached within two years from the start of such negotiations. See F. Stephen Larrabee, "Ukraine's Place in European and regional Security," *Ukraine in the World*, Harvard, 1998, pp. 263-4; and Stephen R. Burant, "Ukraine and East Central Europe," same, pp. 65-70.

- Tensions with Serbia, exacerbated in 1998 by permission for NATO overflights to reach targets in the Former Republic of Yugoslavia and further heightened by Romania's support for NATO operations in the Kosovo campaign.
- The sense that the Balkans and Black Sea littoral are an unstable region. Examples include war in the Northern Caucasus; secessionist movements in Georgia; Armenian-Azerbaijan conflict; fighting in former Yugoslavia; recent fears of Russian irredentism aimed at the Crimea; and worries about Ukraine's future.
- Related worries that terrorism and piracy could become rampant in a period of chaos; and that heightened instability could spill over to the many ethnic minorities that live in Romania.
- In the background, a general pall cast over the region by an unpredictable Russia, formerly the dominant power and now the sick man of Eurasia.

Peacekeeping

Romania prides itself on its role as an international peacekeeper and reports that it has four battalions trained for peacekeeping, with a fifth scheduled to become operational in 2000. It has participated in the following peacekeeping and other operations since 1991:¹⁰

- 1991 - Gulf - 1 field hospital
- 1991: Kuwait
- 1992-3 Moldova
- 1993-4: Somalia
- 1994: Rwanda
- 1995-7: Angola - 1 field hospital, 1 battalion
- 1997 : Albania - 1 infantry battalion
- 1996-7: Bosnia - 1 engineering battalion

Relations with the United States

The United States is regarded with affection and respect in most of Romania and is widely admired among the nation's youth. Bilateral relations are excellent. America is viewed as the key nation to NATO entry—much the way that France, Germany, and the U.K. are viewed as the key states for entry to the European Union. The Kosovo campaign has not produced a public opinion backlash against NATO and the United States comparable to that in neighboring Bulgaria or Ukraine (although it has been extremely costly to Romania in terms of marine and overland commerce).

America would like to see Romania as a country with a successful democracy and free market, contributing to regional stability and prosperity. The United States has a significant aid program focused primarily on technical assistance. The FY 2000 request to Congress was \$30 million.^c Key areas of interest are:

- An economic focus that includes privatization, private enterprise growth, financial sector reform, energy-sector restructuring, and environmental management. USAID will also expand assistance to agribusiness and small and medium business associations.
- A focus on democratic values and institutions that includes enhanced authority and fiscal control at the local level, a stronger role for NGOs, training for young political leaders, judicial reform, and measures against corruption.
- Health and welfare measures that include health system improvement, and improved welfare of women and children.¹¹

^c Compared to actual levels of \$37.1 million for FY 1998 and an estimated \$36 million for FY 1999.

Relations with other regional countries and European institutions

Regional countries

Relations with Western European countries are generally excellent, with a particular historical emphasis on ties with France (in recent years, matched by the value attached to the American connection). Relations with countries in the region are generally cordial. The following are sketches of some of the bilateral relationships:

While current relations with Hungary are good, there is a history of tension. Much of it relates to the Transylvania region, a part of Romania with a large Hungarian population that identifies with Hungary. A strong right-wing current in Romanian politics, with virulently anti-Hungarian rhetoric, is identified with local politicians from the region.

- Official relations with Ukraine are cordial and productive but each side has reservations about the other. One parliamentarian active on defense issues described Ukraine as a “large and insecure neighbor, and an imposing presence.” Russia, he said, was “doing a favor by engaging Ukraine’s attention, or else it would be bossing all others around.”¹²
- Nearby Moldova was part of Romania before it became part of the Soviet Union in 1940. Unresolved border issues remain. The Moldovan language and ethnicity are Romanian; some elements on both sides favor reunification (and some do not). Moldova’s relationship with Russia is tense; issues include the breakaway Transdniester Republic, with its largely Russian population, and the presence of Russian troops in Moldova. The net effect is a complex set of relationships, as well as a set of emotional issues affecting these countries and Ukraine.
- Turkey and Romania enjoy close military-to-military ties and also cooperate in police work. Turkey is an important source of investment. It is also seen, as a prominent Romanian

parliamentarian observed, as a key to regional stability “against fundamentalism.”¹³

- Russia is a significant economic partner, although exports are far down due to the collapse of the Russian economy and degraded transportation links. Political relations between the two are normal. Russia has expressed displeasure with Romania’s goal of NATO membership but has basically accepted the new realities. (Bulgaria is the more painful case.)
- There is a lingering undertone of worry that Russia might revert to aspects of its former Soviet self, perhaps together with Ukraine.

European Union

Romania has an unambiguously Western orientation, which enjoys support from public opinion and politicians alike. Romania is a full member of the Council of Europe, and the EU is the centerpiece of this Romanian vision.

Romania signed an association agreement with the EU in 1993. Its dismal economic performance and unstable political scene dimmed membership prospects for most of the subsequent period. In December 1999, however, Romania was included in the EU’s list of 13 countries that are official candidates for membership. It is in a second, slower-track category of six, along with Bulgaria and Slovakia, among others. But it is before Turkey, which is in a last-place category of its own, and ahead of Ukraine – which did not make the list.¹⁴ Prospects are for eventual admission, but the interim could be a long one given Romania’s *chronic* economic problems.

Romania and the European Security Order

NATO

NATO is the other pillar of Romania's Western aspirations. In addition, it is seen as an answer to Romania's regional security concerns. Romania joined NATO's Partnership for Peace (PfP) in January 1994.

Bucharest took hard NATO's 1997 exclusion of its candidacy for the first round of the Alliance's enlargement, the more so since its sometime rival, Hungary, was invited to join, along with Poland and the Czech Republic. There is some lingering bitterness in Romanian military circles toward the "politicians" responsible for the country's poor economic performance, a major reason not to have been invited. (The poor state of Romania's military and an already full plate for the Alliance were among other reasons).

NATO has declared that the door is open to new members who can qualify. In Romania, NATO membership remains a leading national goal, although earlier optimism about quick or easy entry is gone. Military activities by all the services are keyed overwhelmingly to meeting NATO criteria. Indeed, military modernization has placed major strains on Romania's fiscal balance.¹⁵

In 1997, the United States signed a Strategic Partnership with Romania with the goal to "make Romania the best possible candidate for NATO" as well as to expand political and economic ties and strengthen Romania's contribution to regional security.¹⁶

In November 1999 Secretary Cohen reiterated NATO's open-door policy and said that the U.S. will continue to work with Romania to help it attain membership. He also cautioned that:

There are very steep stairs... to arriving at that open door of NATO membership. They include, of course, developing a market economy, promoting democracy, and establishing civilian control over the military, and being able to demonstrate that the new aspirant can be a contributor to NATO security as well as a consumer¹⁷

From today's vantage, prospects point to eventual full membership, although Romania's erratic economy and politics may be an obstacle for years to come. A new Leftist government could sharply change the betting.

Romania participates in the NATO-supported Multinational Peacekeeping Force, Southeast Europe. The force, headquartered at Plovdiv in Bulgaria, is also known as the Southeast European Brigade (SEBRIG) and includes ground forces from Albania, Bulgaria, Greece, Italy, Macedonia, and Turkey, as well as Romania. When completed, it is expected to number about 3,000.^d

Black Sea Economic Cooperation (BSEC)

Romania is a member of the Black Sea Economic Cooperation pact, the result of a 1992 Turkish initiative. This loose grouping has a diverse membership, with some members seriously at odds with others.^e While Romania publicly supports the grouping, we have seen nothing to indicate that it places serious confidence in BSEC as a means to enhance stability and prosperity in the region.

Black Sea Naval Force

Along with all other littoral countries (including Russia), Romania participates in periodic discussions on this force, a Turkish initiative from 1998. As proposed, the force would act on-call and engage in such activities as training, rescue and humanitarian missions, environmental protection, and good will. It is still in the discussion stage. The Romanian Navy hosted the fourth periodic meeting of prospective participants in October 1999.

^d *RFE/RL Newslines*, September 13, 1999. A politically balanced multilateral effort, the force will be led for the first two years by a Turkish general; a Greek will head its political-military decision-making committee. The headquarters will rotate every four years.

^e Members are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine.

Defense issues

In 1990, before the collapse of the Communist regime, Romania's armed forces totaled about 320,000. At present, they are sharply cut back to about 180,000. They are scheduled to drop to about 140,000 by 2005.

Land forces number over 100,000 personnel, about 56% of the total force. Their budget is nearly half the total. Air and air defense forces have a personnel strength of about 43,500 (about 24 % of the total) and get 33% of the budget.

Romania's navy numbers about 22,000 persons and gets about 8% of the budget. About 8,000 of these personnel are conscripts, whose short tours and inadequate training make them of marginal value (and who by law cannot be deployed outside Romania since they are not volunteers). The remaining 15,000 professional forces include nearly 10,000 in naval infantry, who are being transferred to the control of land forces during 1999. The regular professional navy thus totals about 4,500 persons.¹⁸

Current ships and assets include a destroyer (the navy's flagship); six frigates; a Kilo-class submarine (Soviet-built and non-operational); a number of coastal and riverine patrol craft; and mine warfare and anti-submarine capabilities.

Naval aviation capability is limited to about seven helicopters. Four coastal artillery batteries with a total of about 32 pieces are under the navy's control.¹⁹

Romania's naval ships are in relatively good shape and repair, according to Romanian and Western sources and observation. Most of the fleet was built domestically by Romania's substantial shipbuilding industry. The difference between Romanian vessels observable in Constanza and the run-down nature of elements of the Russian and Ukrainian Black Sea Fleets observable in Sevastopol and Balaklava is a striking contrast.

Time at sea is miniscule for most vessels and personnel, measured in single-digit days per year.

The different elements of the Romanian military do not practice jointness and tend to plan and think along individual, often compartmentalized,

lines. The navy, headquartered several hours from Bucharest in Constanza, is the service least effectively represented at national headquarters. Typically, it is last in line for allocations from the cash-strapped defense budget.²⁰

Resources are strained in the reeling Romanian economy and budget. Each investment competes with another, even when subsidized from outside; so does each engagement activity.

Planning priorities and disconnects

As part of the American-Romanian Strategic Partnership adopted in 1997 (see above, under Relations with the United States), the U.S. has provided advice to Romania on how to restructure its forces. One result of this effort has been the joint study prepared by the Department of Defense's OSD/ISA and EUCOM, *Romania Defense Assessment and Action Plan* (DOD, 1999).

This report describes itself as being "the most current and authoritative road map for satisfying Romania's national defense requirements and ensuring that they are compatible as a potential member of the NATO alliance," and as a plan which, if implemented, will make "Romania's defense the best possible candidate for inclusion as a member of the NATO alliance."²¹ The report also reflects the advice and analysis of the on-site United Kingdom Advisor to Romania's Chief of Defense. It is well known in Romania's defense community, is regarded as a U.S.-UK product, and is universally referred to in Romania as the "Kievenaar Report" after one of its co-authors.^f It is viewed as a key to entering NATO.

More generally, this study sees future missions of the Romanian navy as "predominantly coastal and riverine versus the Soviet-era far ranging blue water role," commenting that this view is "not yet fully accepted" within that service. It is critical of the navy's plan to retain its single destroyer as incompatible with operational requirements, reflecting instead an

^f MG Robert Kievenaar (USA), formerly Director for NATO and Europe, OSD/ISA.

interest in preserving a capability for blue-water operations. Similarly, it questions the navy's intent to repair and keep its sole submarine.⁸

The view of the navy's primary mission as coastal and riverine is, we were told, shared within the General Staff. As is clear from the discussion below, it is not the view held by Romania's navy.

This significant gap in concept and planning will eventually need to be resolved—or, if not, to work itself out through an unsatisfactory and uncollegial form of force development by budgetary fiat from headquarters.

A similar disconnect exists between the Bulgarian navy and General Staff, although the communication process in Bulgaria, and the prospects for early consensus, seem better than in Romania.

Romanian CNO's views

In the March 1999 issue of the *Proceedings* of the U.S. Naval Institute, the Romanian Navy's commander, Vice-Admiral Traian Atanasiu, gave his views on the future missions of his navy. Following are excerpts:²²

...Confrontations at sea can occur at any time, without any declaration of war, even as forces downsize.

Consequently, the future of maritime strategy appears to be much more complex. The fleets of those nations bordering the sea can succeed in these times of decreased budgets only by accepting that the new missions must be performed by fewer but more efficient ships, capable of carrying out many complex missions.

As a country bordering the Black Sea and the lengthy Danube River, contiguous to nations such as the Russian Federation, Ukraine, and Turkey, and also close to unstable areas such as the Balkans and Caucasus, Romania needs a well-structured, credible

⁸ The report is implicitly critical of the planned naval contribution to the Rapid Reaction Force, which includes a destroyer, several frigates, and smaller combatants, noting that emphasis on this force further exacerbates funding shortages in the rest of the fleet (p. 31).

Navy with combat capability equal to its responsibilities, with modern versatile ships equipped with doctrine, weapons, and communications capable to provide interoperability with the fleets of the NATO nations.

Beginning in 1994, the year of Romania's adherence to the Partnership for Peace (PFP) Agreement, the Romanian Navy forces and commands have undertaken a complex reorganization. The goal was to create components compatible with NATO fleets and to enhance the operational, technical, and administrative interoperability required to participate in the NATO/PFP exercises and peace-keeping operations under the aegis of the United Nations or the European Union. In September 1996, the Romanian Navy staff reorganized along modular lines similar to those of Western navies to meet its far-flung responsibilities at sea, on the rivers, and in the littorals....

In October 1999 we met with Admiral Atanasiu at Constanza. His comments reflect a broad vision of his navy's mission in the immediate region and beyond:

- A Romanian blue-water capability is necessary in the Black Sea, and Romania needs to be able to project power in the Mediterranean as well. The Romanian merchant fleet is one key reason. Others include the need to be able to join in NATO efforts, peacekeeping, and SAR activities.
- The importance of oil in the Black Sea is growing. It is possible that Romania will be a pipeline conduit for Caspian oil, but in any case oil is creating a different strategic environment in the region.
- The Black Sea region has a lot of instabilities. There are possibilities of terrorism, piracy, or conflict among states.
- Joining NATO through the navy is quicker than by other ways. Interoperability is easier to achieve and procedures—for example, SAR—are similar.
- The U.S. study tells the Romanian navy to “keep its torpedo boats but not its bigger ships.” That is exactly the wrong advice. On the contrary, one should keep the frigates and focus on a few that

work, and get rid of the torpedo boats, whose missions are from an earlier era.

Romanian navy briefing

An overview briefing from the CNO=s staff for CNA visitors in October 1999 is a useful complement to round out the navy's vision of its missions. Highlights:

- Riverine and coastal missions are vital and recognized as such. Danubian traffic is a core naval responsibility. It is vital to Romania's economy; its importance is enhanced by the Danube-Constanza canal, a short-cut from the Black Sea to the river which provides an efficient link by river and canal to Rotterdam. The key coastal responsibility is protection of the 225-kilometer (141-mile) coastline and the 200-mile exclusive economic zone.
- There are also blue-water responsibilities. Romania has a strong maritime tradition and a significant indigenous shipbuilding base. Protection of national merchant shipping is a naval responsibility. While the merchant fleet has declined since 1989 (when it was about 300 vessels), it may revive with more prosperous times. Other reasons for blue-water capabilities are, in the navy=s view, such national interests as defense integrity, and naval access and freedom of navigation. These reasons are enhanced by the increased importance of oil flows in the Black Sea, particularly from the Caspian. (An unspoken reason is concern over the prospect of disputes over possible future Black Sea oil drilling sites—for example, between Romania and Ukraine).
- Other reasons for blue-water capabilities, in this vision, relate to international naval cooperation. Examples are PfP participation; search and rescue operations; and participation in peacekeeping activities and humanitarian work.
- Wartime missions include relatively long range tasks such as protection of national commerce within the Black Sea up to the Bosphorous (for example, Bosphorous to Constanza, or Batumi to Constanza).

- In a future period of greater prosperity, the navy's vision of assets includes a multi-role, helicopter-equipped blue-water platform; a submarine force; minesweepers; missile-equipped corvettes; a Danube flotilla; and a naval aviation unit. These would be modern ships, with Western weapons systems (many systems now are Russian).

Coast guard

The Romanian border guard, which operates under the Ministry of Interior, currently has seven naval groups with about 20 patrol boats. This force is scheduled to convert into a separate coast guard in the years 2000-2003. The Romanian navy is not enthusiastic about this development and believes it will have to devote resources in the future to enable the coast guard to operate in rough water. One navy spokesman called it "a second navy" which will use the regular navy's facilities. The OSD/ISA-EUCOM Report unsuccessfully recommended against creating a separate coast guard at this time.^h

Relations between the navy and coast guard are starting off with some bruised feelings and are likely to be strained in the near future.

The context for engagement

The Romanian navy is strongly supportive of U.S. naval engagement activities and, simply put, of the maximum possible American naval presence and involvement. This is more than a parochial effort to carve out, through American involvement, more subsidized days at sea; or a greater share of national resources; or more support for service positions in headquarters debates. It also reflects a broader interest, found in other services and in parliament as well, to gain a stabilizing American involvement in a regional environment most Romanians consider to be treacherous. NATO's 1997 refusal to consider early admission for

^h The report notes, "While there are definite mission distinctions between the two disciplines, the hard reality is that at a time of severe fiscal constraints any new entity with its inherent overhead and start-up costs must be critically examined." (Pp. 33-34, 102).

Romania buttresses the tendency to see U.S. presence as a way to gain security in an insecure region.

In discussions in late 1999 with Romanian navy representatives and security experts, we found fond memories of America's naval involvement with Romania the year before. The navy sees 1998 as a peak year that featured exercises such as Strong Resolve, Phiblex, Rescue Eagle, and NATO's Cooperative Partner, as well as officer training in the U.S., ship training, and mil-to-mil exchanges.

1999 emerged as a bleak year with no engagement, scheduled activities having been cancelled because of requirements of the Kosovo campaign and increasingly constrained USN resources.

Another theme common in naval and security expert circles in Romania is a welcoming attitude toward American "basing," a loose term that might apply equally to a U.S. forward-based store of equipment or POMCUS; a leased facility for occasional maintenance or exercise use; or a commercial arrangement for services when needed. We came across this welcoming attitude in conversations with Romanian naval and parliamentary figures. CNO Atanasiu, indeed, raised favorably the possibility of an American base in Romania, or supply depots, or an international military structure based in Romania.

Suggested activities

Continuing U.S. Navy ship visits, PfP and bilateral exercises, flag visits, exchanges, and other traditional activities will keep the U.S. Navy in close contact with its Romanian counterparts and provide tangible evidence of U.S. support for the country.

We sought ideas about possible formative engagement activities in discussions with Romanian and American personnel during travel and interviews. Suggestions that emerged include:

- Search and rescue
- Naval control of shipping
- Counter smuggling, immigration control

- Seminars on:
 - Freedom of navigation
 - Refueling
 - Embargo
 - Convoy protection.

Given Romania's Danubian involvement, riverine exercises could also be an attractive possibility.

Two ideas were outlined for us as more developed Romanian concepts:

- A U.S. facility in the Black Sea area. Romanian officers argued that it would be useful to have a U.S. equipment-storage facility (perhaps on a POMCUS model) in the Constanza region, in the Babadag area. The Marine Corps could use it to take part in MARFOREUR exercises. The Alabama National Guard is twinned with Romania and goes there for exercises; it could make use of such a facility to draw equipment. So, perhaps, could the Vermont National Guard (also connected).
- A U.S. Naval Control of Shipping unit could be focused on the Black Sea. It could practice convoying merchant marines. This would be a U.S. reserve unit and do its annual training in the Black Sea region. Illustratively, it could help organize convoys from Batumi or Poti in Georgia to Constanza. It could involve multilateral exercises under PfP or in another context. Other participants could include, for example, Ukraine and Georgia with a focus on relevant issues such as anti-piracy.

Some of the suggested activities described above could be logical candidates for U.S. Coast Guard engagement. Anecdotal information suggests some reluctance on the part of the Romanian navy to work with the U.S. Coast Guard as opposed to the U.S. Navy. Accordingly, we recommend that the role of the Coast Guard in future engagement activities be assessed in light of evolving Romanian attitudes.

Bear in mind

Economic and budgetary constraints in Romania are extreme. New defense activities are by definition at the margin and command the scarce marginal resource. An American invitation to conduct a new activity involving one of the Romanian services—even if with reimbursement for items such as fuel and ammunition—can result in a reallocation of resources, with a resulting loss to some other Romanian military activity. It is, in resource terms, close to a zero-sum setting, in which a winner will likely produce a loser.

There is another consideration worth mentioning. There may be cases in which the symbolic value of visible participation by other navies—like Romania's—may be important for political reasons. It is doubtful, however, that this factor alone would justify changing current NATO and OSD priorities for this or other Black Sea navies.

It is beyond the scope of this profile to judge the merits of the different visions of the Romanian navy at issue in that country. But given the broad disagreement on the future development of the Romanian navy found between that service and military headquarters—and the conceptual gap between the Romanian navy and the OSD/EUCOM report—we recommend a prudent approach toward initiatives that have the potential to incur additional Romanian expenditures, even if seemingly marginal, or to reallocate priorities within the defense budget.

Endnotes

- ¹ CIA *World Factbook*, 1999.
- ² *The Economist*, January 17, 1998, and April 4, 1998.
- ³ Economist Intelligence Unit (EIU), *Romania Country Report*, 2nd Quarter, p. 3; and *Romania Country Profile 1999-2000*, p. 7, 18.
- ⁴ *The Economist*, January 23, 1999.
- ⁵ EIU *Romania Country Report*, 2nd Quarter, 1999, pp. 8, 28-29.
- ⁶ Radio Free Europe/Radio Liberty (RFE/RL) *Newsline*, January 12, 1999.
- ⁷ RFE/RL *Newsline*, December 21, 1999.
- ⁸ *The Economist*, January 17, 1998 and April 4, 1998.
- ⁹ OSD/ISA/EUCOM Report, *Romania Defense Assessment and Action Plan* (also known as the "Kievenaar Report"), DOD, 1999, pp. 4,8; and interviews.
- ¹⁰ Source: Briefing, October 4, 1999.
- ¹¹ Congressional Presentation Fiscal Year 2000, *Romania*, USAID
- ¹² Interview, October 1999.
- ¹³ Interview October 1999 with Mr. Victor Bostinaru, Chairman, Foreign Affairs Committee, Romanian Parliament.
- ¹⁴ European Council meeting December 10-11, 1999, Helsinki.
- ¹⁵ The Economist Intelligence Unit, *Romania Country Profile, 1999-2000*, p. 12.
- ¹⁶ As quoted in *Romania Defense Assessment and Action Plan*, pp. v and 9.
- ¹⁷ DOD News Briefing, November 30, 1999 (in Bucharest).
- ¹⁸ *Romania Defense Assessment and Action Plan* pp. 25, 38, 41, 77-78, and interviews.
- ¹⁹ IISS, *The Military Balance*, 1998-99.
- ²⁰ Interviews in Romania, October 1999. See also OSD/ISA-EUCOM Report, p. 28.
- ²¹ *Romania Defense Assessment and Action Plan*, p. vi.
- ²² "The Commanders Respond," U.S. Naval Institute *Proceedings*, March 1999.

Bulgaria

Summary

Bulgaria spent much of the 1990s in drift and disarray. The collapse of the Soviet-led trading bloc and of Bulgaria's centrally directed economy at the beginning of the decade led to a sharp decline in the standard of living. A government of former Communists from 1994 to 1997 further mismanaged the economy, but a competent government emerged from elections in April 1997. Moving quickly with sound policies, it stabilized the economy, checking inflation and permitting growth. Three years later, it is still a popular government. While poor and remote, Bulgaria is now the most economically stable country among the Balkan nations. Prospects for political and economic stability are better than those of any other Black Sea littoral nation (excluding Turkey).

- Bulgaria does not face acute security threats. Like other Black Sea countries, it has general anxieties about the chaotic, unstable environment in the region. It has concerns about drug and arms trafficking and illegal immigration. And it is dependent on Russia for energy, an uncomfortable situation if Moscow wants to apply leverage.
- Relations with the United States are excellent. In recognition of Bulgaria's achievements since 1997 and its support for NATO's Kosovo campaign, President Clinton visited Bulgaria in November 1999. He said that the United States was committed to supporting Bulgaria "politically, economically, and militarily over the long run." The U.S. has an active aid program focusing on economic, democracy-related, and social issues.
- Among regional countries, Bulgaria's ties with Turkey, often strained in the past, are excellent. Relations with Russia are complex. Bulgaria wants good ties with Moscow, but partnership

with NATO and support for NATO's Kosovo campaign get in the way.

- Bulgaria wants to join the European Union (EU) and has been accepted as an official candidate for membership. Prospects for eventual admission are good.
- NATO membership is a national strategic goal. It enjoys substantial but not universal support. NATO's Kosovo campaign was widely opposed. Within the military, the "Red Colonels," older officers whose careers are closely tied to the USSR, resent Bulgaria's moves to the West. From today's vantage, Bulgaria's prospects of joining NATO as a full member within the next several years appear good.
- Bulgaria's armed forces total about 112,000 persons and are scheduled to drop to 45,000 - 50,000 by 2004. Downsizing is painful. Bulgaria's Chief of Staff has characterized the planned cuts as "increasingly demoralizing and infuriating."
- The navy, at 5,400 persons, is the smallest of the services. Regular personnel are poorly paid and many opt to leave early. Conscripts serve a 12-month tour. After training, their contribution is marginal. The fleet is Soviet-built, aging, and poorly equipped.
- Navy headquarters in Varna is isolated from the General Staff in Sofia. The isolation compounds traditional service-centered attitudes and fosters uncoordinated planning. There is a significant disconnect between Bulgaria's navy and the Defense Ministry and General Staff.
- The national government wants a smaller navy focused on coastal defense. It is supported in this view by a 1999 OSD/EUCOM study. Bulgaria's navy, in contrast, wants a broader Black Sea and Mediterranean role. Bulgaria may be able to reach consensus on these issues more easily than Romania, which is in the midst of a similar debate.
- Bulgaria is an enthusiastic supporter of U.S. naval presence and engagement. Among the motivations is the belief that U.S. presence in the region is a stabilizing factor. The Bulgarian navy

also believes that participation in blue-water activities with others adds weight to its own blue-water vision.

- The U.S. Navy should continue a level of ship visits, PfP and bilateral exercises, flag visits, exchanges, and other traditional activities that will keep it in close contact with its Bulgarian (and Romanian) counterparts and provide tangible evidence of U.S. support for the two countries.
- A number of suggestions for engagement activities of a crosscutting nature came up during discussions in Bulgaria. They include: harbor cleanliness; oil spills; maritime administration; and counter-terrorism.
- Some of these activities are also logical candidates for engagement by the U.S. Coast Guard.
- Engagement with Bulgaria should take into account that country's interest in including Russia whenever possible in multilateral activities.
- Until there is more consensus between Bulgaria's navy and the Defense Ministry and General Staff, we recommend a prudent approach toward initiatives that have the potential to incur additional Bulgarian expenditures or reallocate existing budgets.

U.S. policy goals

National Security is the overwhelming U.S. national interest in Bulgaria. A peaceful, democratic and economically prosperous Bulgaria will help to ensure a stable Balkan region, parts of which remain dogged by ethnic tension and social unrest. Consequently, the U.S. priority in Bulgaria is to help the country stay on the path of economic reform, democratic consolidation and regional cooperation which it embarked on in February 1997. The consolidation of democracy and a market economy in Bulgaria, and the country's accession to the European Union (EU), including increasing participation in western institutions, is consistent with the U.S. objective of building security and stability throughout Europe. Bulgaria is in good position to assist

with regional efforts to combat terrorism, arms proliferation and narcotics trafficking.

--U.S. Agency for International Development, Congressional Presentation, Bulgaria FY 2000

The United States will continue to support Bulgaria's efforts to consolidate its democratic and free market reforms, including Bulgaria's engagement with the World Bank and the International Monetary Fund.

--Joint Statement, U.S.-Bulgarian Partnership for a New Era, February 10, 1998

In view of the improved reform environment in Bulgaria, the United States and Bulgaria have identified several new priority areas for cooperation: reinforcing the rule of law, strengthening financial markets and encouraging the development of civil society.

-- Same

The domestic situation: political and economic considerations

Background¹

Bulgaria's population is about 8 million. The leading ethnic groups are Bulgarian (85.6%), Turkish (9.5%), and Roma (or Gypsy, 4%).

In 1396, Bulgaria became the first European state to be absorbed into the Ottoman Empire. To quote the *Encyclopaedia Britannica*, "The five centuries of Turkish rule were a dark era in Bulgarian history and left towns, villages, and monasteries sacked and destroyed and whole districts converted into desolate wastes."²

In 1879, in the wake of a Russo-Turkish War, Bulgaria became a democratic monarchy and brought in a German prince as ruler. It was allied with Germany in both world wars.

After World War Two, the Communist movement took over. The country officially became a Communist state in 1947. Todor Zhivkov, one of the post-war period's most enduring leaders, became Communist Party chief in 1954 and continued to rule until 1989. Throughout this 35-year period, Bulgaria was a devoted, utterly reliable ally of the Soviet Union whose loyalty to Moscow exceeded that of other member of the Warsaw Pact.

In the mid-1980s, Bulgaria launched a campaign to assimilate the large ethnic Turkish minority. The campaign included cultural conformity and a change in names to make them more Slavic. It culminated with a forced expulsion of about 350,000 Turks (about a third of the total), some of whom have since returned.³

In 1989, Zhivkov was ousted by other members of his party in an atmosphere strongly influenced by the Gorbachev era in Russia.

Over the next several years, Bulgaria voted in Communists, their successor party (The Bulgarian Socialist Party), and independents. During this time, with the collapse of the Soviet-led trading bloc (COMECON) and the loss of the Soviet market, Bulgaria's economy contracted and the standard of living fell by about 40%.

The collapse of 1996-97

From 1994 until early February 1997, the former Communists of the Bulgarian Socialist Party controlled the government. Their mismanaged economic reform, disastrous agricultural policy, and unstable banking system damaged the economy still further. Gross domestic product dropped by more than 17% in 1996-97. Inflation for the month of February 1997 reached 243% and totaled 578% for the year as a whole. In early 1997, the Lev, Bulgaria's currency, was worth 2% of its value a half-year earlier.⁴ Disillusionment, criticism, and some episodic violence eventually forced the government to resign.

Stability and reform

In a landslide vote, a pro-reform government (the United Democratic Forces coalition, or UDF) took office in elections in April 1997. That government—run by Prime Minister Ivan Kostov, under the presidency of Petar Stoyanov—succeeded in bringing under control the chaos it had inherited. It moved quickly to build sound financial and structural policies and win the backing of the key international financial institutions, the International Monetary Fund and World Bank.⁵ The result was an end to rampant inflation, a stable currency, and a spurt in GDP of over 20% in 1998 as the economy recovered from its heavy losses in preceding years. Growth was hurt in 1999 as a result of disruptions from the Kosovo and Serbia campaigns; inflation, at 6.2%, was exceptionally low by regional standards.⁶

Politically, Stoyanov is a popular president and the Kostov government is able to function effectively without serious threat from political rivals.

- Domestically, the government supports legislative, judicial, and administrative reforms needed for a sound democratic process, and is working to combat crime and corruption⁷—all difficult areas in which success is neither easy nor guaranteed.
- Internationally, it made membership in the European Union and NATO national strategic goals in May 1997, weeks after taking office.
- In the face of strong domestic criticism, it supported NATO's actions in Kosovo and against Yugoslavia in 1999, authorizing overflights.

A major cabinet shuffle carried out by Prime Minister Kostov in late December 1999 does not appear to have changed the government's course or prospects as discussed in this analysis. Defense Minister Ananiev was among those replaced. His successor (Boiko Noev) has been serving as Bulgaria's ambassador to NATO and the EU.⁸

Goals and prospects

Bulgaria is a poor country, with per-capita GNP at the low end (along with Romania) of the 13 prospective EU applicants. That said, it is today the most stable economically among the Balkan nations and the only one with a positive growth rate. This is not a high or risk-free level of stability, however. Industrial output, exports, and foreign investment are danger areas—and the chance of more rocky economic periods in the future is a real one.

At this writing, the major short-term economic threats are the aftermath of the Kosovo conflict—which has blocked Bulgaria's main access by road and river to western Europe—and the possibility of continuing instabilities in the region. On a longer-term basis, slow and difficult privatization of nationally owned sectors of the economy will pose a challenge. If this challenge is inadequately met, the costs may be high in future growth and foreign investment in a country that, by Western standards, is a remote place with a small domestic market.

Bulgaria's government remains relatively popular as it ends its third year, a significant feat in the Balkans. The major recent dent in its appeal is the overwhelming unpopularity of NATO's Kosovo-related campaign, and the continuing economic consequences for Bulgaria.

On balance, the prospects for political and economic stability and continuing reform efforts are better in Bulgaria than in most countries in the region, including the other littoral Black Sea nations (except Turkey).

Perceptions of security

The Bulgarian defense community does not see acute threats or immediate military risks. Rather, it sees a generally poor regional security environment and several specific issues that bear watching. The following are areas of concern that emerged during discussions in interviews in Bulgaria in October 1999:

- General concern about the chaotic, unstable environment in the region—which from the Bulgarian view includes the Balkans (and the various conflicts involving former Yugoslavia), the Black Sea,

and the Caucasus. There is a sense (widely shared in Romania and Ukraine, among other neighbors) that order has deteriorated badly with the Bosnian and Kosovo campaigns, the war in Chechnya, multiple secessions in Georgia, and the Azeri-Armenian conflict. The result: a greater chance of violence or irresponsible behavior by states; and an increased chance of terrorism and piracy.

- More specific concern about illegal trafficking in arms and drugs, and illegal immigration.
- Concern about energy dependence, especially on Russia.
- Basic concerns relating to Ukraine and Russia, discussed later (under "relations with other regional countries").
- A residual worry that Greek-Turkish relations could sour and lead to hostilities.

Relations with the United States ⁹

U.S.-Bulgarian bilateral relations improved dramatically with the fall of Communism in 1989. The United States moved quickly to encourage development of a multi-party democracy and a market economy. Initial progress was rapid, leading to full normalization of bilateral political and trade ties. A trade agreement was signed in 1991 and a bilateral investment treaty in 1992. The United States accorded Bulgaria unconditional most-favored-nation trade status in 1996. In 1998, the United States was Bulgaria's third-largest investor, with investments of \$148 million.

In recognition of Bulgaria's achievements since 1997 and its support for NATO's Kosovo campaign, President Clinton visited Bulgaria in November 1999. He said that the United States was committed to supporting Bulgaria "politically, economically, and militarily over the long run." During that visit, the U.S. spoke encouragingly about NATO membership for Bulgaria but stopped short of a statement of official support.¹⁰

There is active bilateral military cooperation, including a linkage between the Bulgarian military and the Tennessee National Guard. The

Department of Defense provides monetary and professional assistance through several programs, including the Joint Contact Team Program, Partnership for Peace, International Military Education and Training, Excess Defense Articles, Foreign Military Financing, and humanitarian assistance.

Bulgaria hosts the only fully American university in the region, the American University of Bulgaria in Blagoevgrad, established in 1991 and drawing students from throughout southeast Europe and beyond.^a

Assistance programs

Bulgaria has received more than \$290 million in U.S. assistance as of 1999 along with an additional \$60 million in food programs and a \$15 million endowment for the American University in Bulgaria. Much of USAID's assistance focuses on strengthening non-governmental organizations and other grassroots initiatives, promoting the private sector, and enhancing local government effectiveness and accountability. The FY 2000 requested assistance level is \$28 million.^b An additional \$25 million has been pledged for budget support due to losses incurred during the Kosovo crisis.

Current USAID goals are:

- Under the economic restructuring rubric, to help Bulgaria modernize and strengthen its financial system, particularly key banking and capital market institutions. USAID will assist a network of private business associations and organizations; further improve the policy, legal, and regulatory framework for business development; and support public-private dialogue on strategies for private enterprise growth. Strategic objectives in this area include: accelerated development and growth of private firms in a competitive environment, and a more competitive and market-responsive private financial sector.

^a We also note as of interest that RADM (ret) Chick Rauch, USN, now affiliated with the University of Maine, is active in support of the American University of Bulgaria.

^b Estimated assistance in FY 1999 was \$28.2 million; actual assistance in 1998 was \$33.7 million. (*CPD-Bulgaria*, p. 1)

- In the area of legislative and judicial reform, aid focuses on an effort to advance the basic tenets of a civil society governed by a rule of law. Such efforts support both democracy and economic programs, and related activities support the government's efforts to combat crime and corruption.
- Under the democratic transition goal, the U.S. supports three strategic objectives: increased, better-informed citizens' participation in public policy decision-making; an improved judicial system; and more effective, responsive, and accountable local governments.
- To assist in building local institutions and grass-roots democratic structures. Efforts will increase citizens' participation in decision-making and governance through projects that increase access to local policy-makers. Efforts will also promote a free press and media.
- Modest funding will also go to crosscutting activities, such as support for labor organizations and free-trade unions.

In anticipation of accession negotiations between Bulgaria and the EU, USAID plans to phase out assistance efforts in 2002.

Relations with other regional countries and European institutions

By regional standards, Bulgaria has calm, non-threatening relations with most of its neighbors—although relations with Serbia are strained and abnormal in the wake of the Kosovo campaign. Several countries warrant special mention:

- Relations with Turkey are dramatically better than before. The thaw began with President Stoyanov's visit to Turkey in 1997, which included an apology for Bulgaria's behavior toward ethnic Turks in the 1980s.¹¹ Good relations extend to military ties as well: Bulgaria's navy has cordial and energetic ties with Turkey's.
- Ties with Romania are close and cordial.

- Ties with Russia rank high on the list of issues of this or any Bulgarian government. The government's policy is to maintain good relations with Russia (and, as discussed below, to engage positively with Russia in regional naval activities). The realities of recent years, however, involve such items as Bulgaria's Western path, partnership with NATO, overflight rights for NATO aircraft, and denial of such rights to Russia.^c Relations are complex for a number of reasons:
 - On the one hand are religious and ethnic affiliations, and a legacy of close association and often close friendship.
 - On the other hand are memories of dominance and oppression, and the image of a failed Soviet model from the past and a failing Russian model from the present.
 - Intertwined are personal and institutional ties from the past—including the "Red Colonels," a popular term for some older officers among Bulgaria's military whose schooling and careers were intimately tied to the USSR. They resent Bulgaria's moves to downsize its military as well as its turn to the West and its march to join NATO.
 - Ties are punctuated by occasional Russian outcries and pressure tactics, such as an open threat to cut off gas supplies if Bulgaria joins NATO.¹²
- Ukraine is a key regional power and a source for energy. We sensed some concern that Ukraine's military may be drawing too

^c A particularly tense moment in Bulgarian-Russian relations occurred last summer. On June 12, 1999, the day that 200 Russian forces seized the Pristina airport in Kosovo before NATO troops arrived there, Russia urgently asked Bulgaria for overflight rights to supply its "peacekeeping contingent." Bulgaria responded that overflight would be possible only after Russia and NATO reached agreement on joint command and control arrangements. The deadlock continued for several weeks—with Russian envoys pounding the table—until such agreement was reached. The Russians had evidently planned to use overflight rights to bolster their strength in Kosovo to several thousand troops and set up their own zone of responsibility. ^c (Flora Lewis in the *International Herald Tribune*, October 1, 1999. *The Washington Times* reported that "it took some serious American arm-twisting" to get Sofia to be firm with the Russians. August 25, 1999.)

close to Russia, and some general worry (widely shared in the region) about Ukraine's future course.

- Ties with Serbia are strained in the aftermath of Bulgaria's support for financial sanctions in 1998 and for NATO's military actions in 1999.
- Bulgaria has a special relationship with Macedonia, given the close ethnic and language affinities. The common Bulgarian view that Macedonian is a dialect of Bulgarian has caused some frictions in recent years, although present ties are good. In 1999, Bulgaria provided 150 of its surplus tanks to Macedonia's small army.
- Relations with adjacent Greece are free of major issues. ^d

European Union and other organizations

Bulgaria's EU Association Agreement came into effect in 1994. Bulgaria formally applied for full EU membership in December 1995. In December 1999, it was included in the EU's list of 13 countries that are official candidates for membership. It is in the second, slower-track category of six, along with Romania and Slovakia, among others. But it is before Turkey (which is alone in a last-place category) and ahead of Ukraine, which is not on the list.¹³

In 1996, Bulgaria joined the World Trade Organization. ¹⁴

Bulgaria and the European security order

NATO

Along with the EU, NATO membership is viewed by today's Bulgarian government as a national strategic goal and a key to a future European identity. This vision has enjoyed substantial, but not universal, support in the population and the military since it was set forth in 1997. NATO

^d A dispute over the use of waters of the Mesta River was settled in 1997. The existence of a Bulgarian-speaking minority in northern Greece does not pose serious issues. (EIU, *Country Profile – Bulgaria*, p. 12).

support suffered a further setback during the Kosovo campaign. About 70% of the population condemned the NATO air campaign – and for a while Serbian flags enjoyed brisk sales at the market place. NATO also lost ground when several bombs accidentally landed in Bulgaria, including Sofia.¹⁵

Bulgaria joined the Partnership for Peace in 1994 and applied for NATO membership in 1997. It is working for NATO compatibility in communications (including the English language) and training and has established a Peacekeeping Training Center.

In 1999, Bulgaria inaugurated the headquarters of the Multinational Peacekeeping Force, Southeast Europe at Plovdiv. The force – also known as the Southeast European Brigade (SEBRIG) – includes ground forces from Albania, Bulgaria, Greece, Italy, Macedonia, Romania, and Turkey and is expected to number about 3,000.^e

On balance, from today's vantage, Bulgaria's chances of joining NATO as a full member within the next several years are good.

The WEU

Bulgaria lists membership in the Western European Union as a strategic priority.¹⁶ (The Western European Union, or WEU, is a defense-focused organization composed of European members of NATO. It is an outgrowth of an old French initiative. Discussion in 1999 focused on a European force of 50,000-60,000 European troops that could act regionally without American participation.)

Black Sea Economic Cooperation (BSEC) and other regional initiatives

Bulgaria participates in the Black Sea Economic Cooperation pact (BSEC), a Turkish initiative from 1992. This loose grouping has a

^e RFE/RL *Newsline*, September 13, 1999. A politically balanced multilateral effort, the force will be led for the first two years by a Turkish general; a Greek will head its political-military decision-making committee. The headquarters will rotate every four years.

diverse membership and includes several countries at odds with each other.^f In discussions, we got an unenthusiastic reaction about BSEC. Our Bulgarian interlocutors characterized the initiative as one dating to a time when Turkey was at its most “expansionist” and commented that things are different now and that Turkey is no longer the main engine of the Black Sea economic process.¹⁷

Generally, Bulgaria is a participant in and a veteran organizer of regional cooperative activities. It has been a supporter of SEADEM – meetings of the South Eastern European Defense Ministers, and is a strong supporter of regional naval cooperation and exercises (see below). It participates in periodic meetings on the Black Sea On-Call Naval Force, a Turkish initiative from 1998. (As proposed, the force would act on-call and engage in such activities as training, rescue and humanitarian missions, environmental protection, and good will. It is still in the discussion stage.)

Defense issues

Current Bulgarian forces total about 112,000^g persons, down only slightly from figures for 1988, before the collapse of the Warsaw Pact. The numbers are scheduled to drop sharply by 2004, to 45,000 – 50,000. Presently, slightly more than half of the total military personnel are in the army (land forces).

The process of downsizing is a painful one and generates perceptible bitterness within the military. Personnel cuts are a major concern: government plans call for a cut in the number of officers from the current 15,000 to 7,000 by 2004. There is also some resentment that control of the Defense Ministry is in civilian hands. In August 1999, Bulgaria’s Chief of Staff, General Miha Mihov, characterized the planned cuts as “increasingly demoralizing and infuriating,” creating “tension and insecurity” among members of the armed forces. He also criticized the

^f Members are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine.

^g This number comprises 42,000 conscripts, 23,000 NCOs, 17,000 officers, and 30,000 civilians. OSD/ISA/EUCOM Report, *Bulgarian Defense Reform Study* (DOD, 1999), p. 14.

Defense Ministry for having no plans to help soldiers who are demobilized.¹⁸

Defense planners noted that, difficult as personnel downsizing was, there were even harder issues relating to present functions of the defense establishment that are not in the future paradigm – like traditional involvement in social and educational matters, local infrastructure, and civil protection.¹⁹ As a result, approval of the draft national strategy has been chronically postponed, leaving openings for misinterpretation and competing views.

Resources are extremely strained for all services. The outlook, to quote an OSD/ISA-EUCOM study on the Bulgarian military, is that “there will be little available funds to support even the most modest of training, procurement and sustainment activities.”²⁰

The navy

The navy has about 5,400 military personnel (or 5.8% of the total) and receives about 7% of the defense budget.^h It is scheduled to drop to 4,400 by 2004.²¹ About 1,100 of today’s personnel are commissioned officers (20.5%), 2,100 are contract personnel (38.9%), and 2,200 are conscripts (40.6%). On ships, contract personnel and officers typically make up 70-80% of the personnel assigned. The percentage rises to 100% when ships are assigned to multinational exercises.²²

Navy personnel are poorly paid and many leave the service without finishing their tour. A merchant sailor can get seven times the pay of a Bulgarian navy sailor, and many junior officers leave without completing their tours.²³ The situation is even worse with Bulgaria’s naval academy. Last year, only one of the graduates of the five-year, internationally recognized program joined the navy; the others went into the merchant marine.

^h Ibid., pp. 60, 63. *Periscope* defense information service shows 115,000 as the approximate strength of the Bulgarian armed forces in 1988 (*Bulgaria, Armed Forces Structure*, p. 1).

Conscripts serve a 12-month tour. After basic training, time remaining for assignment is cut to 10 months. The result is a force of marginal value and a waste in training resources.²⁴

Bulgaria's fleet is Soviet built. Much of it is aging and poorly equipped. Its one frigate is the flagship. One of its two ROMEO submarines is operational. The remainder of its fleet consists of patrol, minesweeping, and support craft. An estimated 40% of current combatants and 30% of auxiliaries require major repair. Of the sea-capable ships, only a limited number are available for exercises and operational deployments.²⁵ Time-at-sea was informally estimated at about 20 – 40 days a year, compared to about 140 days under earlier "normal" conditions.²⁶ Even this modest figure may be an overstatement.

The Bulgarian navy's aviation capability is a helicopter ASW squadron with about 9 armed helicopters.²⁷

The Bulgarian navy includes a marine battalion. The OSD/ISA-EUCOM Study recommends the transfer of this force from the navy to the proposed Rapid Reaction Force and its consolidation with other ground forces.²⁸

Port limitations are a serious inhibition for future development. Existing ports cannot handle ships larger than 2,000 tons. Resources are lacking to dredge and make other repairs.²⁹

Headquartered in Varna, the navy is isolated from the General Staff in Sofia. Attendance at meetings, even for the navy's commanding officer, is a logistical challenge and often a major investment in time and inconvenience.¹ This isolation compounds traditional service-centered attitudes; the result is uncoordinated planning and discrepant visions.

Maritime frontier troops

¹ We were told in discussions at Varna that even for CNO Petrov, attendance at General Staff meetings is a challenge. Airplane reservations are hard to get, and money to pay for tickets is seldom available. The route is too long to drive. So he takes the night train each way, a tiring process. Flying by military air is out of the question, for resource and safety considerations.

Frontier troops under the Ministry of Interior have the responsibility for border control. The maritime component has about 50 small coastal patrol and riverine craft.³⁰

Priorities and disconnects

Like Romania, Bulgaria is the subject of an extensive study prepared by the Department of Defense's OSD/ISA and EUCOM, *Bulgarian Defense Reform Study* (DOD, 1999). The report is one of a series of such vehicles to assist nations with ongoing military reform, force modernization, and their NATO integration efforts. It also serves, in its own words, to provide the subject country with "an individually tailored blueprint that could be used to develop their own defense plans in pursuit of their individual national security and defense strategies."³¹ The report is well known in Bulgarian defense circles and is universally called the "Kievenaar Report," after one of its leading sponsors.³²

This report was briefed to the Bulgarian MOD, which accepted its draft recommendations.³³ In addition, its authors had access to the MOD's draft military strategy, as well as the National Military Doctrine adopted in April 1999. Several key points emerge from these several documents:

- Top military priority is for the development of a Rapid Reaction Force (RRF) from the three services. This force will be manned at a minimum of 70%, and those parts designated for rapid action will be manned at 100%. They will be designed and trained to be fully compatible with comparable NATO formations. The RRF will have peacetime missions in SAR, humanitarian assistance, peacekeeping, and anti-terrorist operations. It will also be the primary instrument to counter any perceived threat to Bulgaria's military security.³⁴
- The Bulgarian navy is to be smaller than it is now and focused on executing a coastal protection mission. It should concentrate on missions associated with coastal surveillance and control, freedom of navigation, mine and counter-mine operations, and search and rescue.³⁵

- There is (according to the OSD/EUCOM report) “no strategic rationale to create or maintain a ‘high-seas’ fleet when its existence will not contribute to the security requirements previously articulated by the state and would in fact consume a great deal of national resources.”^j

As is clear from the discussion below, there are different views held by the Bulgarian navy, a contrast in vision that the OSD/EUCOM report found to be “a fundamental disconnect.”³⁶

Bulgarian CNO’s views

In October, we met with Admiral Petrov and members of his staff at Varna. He shared his views of the Bulgarian navy’s missions and his current priorities and plans.

- A blue-water navy. While the Bulgarian navy has a key mission to provide maritime coastal security, it also has a broader role throughout the Black Sea. This is in part to protect Bulgaria’s maritime shipping interests. It is also to help stabilize the Black Sea region and to be able to join other countries in the region in humanitarian or peacekeeping activities.
- A Mediterranean navy as well. Bulgaria has a tradition of participation in and sponsorship of naval activities in the Aegean and Mediterranean as well as the Black Sea.^k It

^j The report goes on: “What the national strategy requires is a naval force modeled after a coastal protection type force that possesses one or two squadrons, each possessing a number of small, multi-mission, flexible and capable ships, augmented by a shore-based surveillance system, and a robust SAR capability. Additionally, there appears to be no strategic rationale to maintain a coastal defense force. The creation and maintenance of a marine-like force is a redundancy the Bulgarian Ministry cannot afford at this time. That mission could be easily performed by the Land Force’s Rapid Reaction Force” (p. 113). The plan to have a marine-like force subordinate to the navy has been dropped, we were told in interviews in October 1999.

^k Following as provided by Bulgarian navy:

- Bulgaria organized “Breeze 93,” an at-sea exercise with U.S., Turkish, and Bulgarian participation, as well as “Salvage 93” with Bulgaria, Romania and Turkey, a practical exercise focused on salvage. “Breeze 94” included Russia and Ukraine, with Georgia as an observer.

expects to join NATO and has a future role in the Mediterranean along with other allied partners. Admiral Petrov noted with pride that Bulgaria would send a frigate and transport ship to the Med in late October to visit Italy and Turkey and do Med PASSEXes with the U.S. Sixth Fleet. Bulgarian participation in these activities, he noted, is in direct response to 6th Fleet Commander Admiral Murphy's invitation.¹

- Priorities. Key priorities focus on Interoperability with NATO and include planning procedures, training methodology, logistics, and communications. English language training is a major priority as well.^m

- Bulgaria has hosted three of the five "Cooperative Partner" exercises so far; it has decided not to host Breeze the years it hosts Cooperative Partner.

- In 1995, Bulgaria took part in "Mermaid" in the Med, organized by Italy. It participates most years in Hellenic exercises in the Aegean. In the Mediterranean it has deployed as far as the coast of France.

- Bulgaria will participate in Ukraine's "Sea Breeze" and in Turkey's "Black Sea Partnership" exercises.

- Bulgaria took the lead in hosting symposia, starting in 1993, before PfP, with "Black Sea View 1993." This was a meeting of 13 countries to discuss the theme of small navies in the region and their tasks in war and peace. The focus was on modernization of old concepts to update with activities such as SAR, peacekeeping, humanitarian assistance, convoy, and embargo. Bulgaria organized a similar symposium in 1995, after PfP, which carried discussion further and focused also on matters such as regional control of shipping, illegal traffic and drugs, illegal immigration, and smuggling.

¹ The invitation was to Chief of Staff Mihov who, we were told, immediately called the CNO to see if the Bulgarian navy could take part. The United States agreed to contribute \$250,000 to offset participation costs.

^m Following are summaries of priority interoperability efforts, as provided to the study team by the Bulgarian navy:

- Staff and planning work. The Bulgarian navy has been planning "Breeze" in accordance with NATO standards. It estimates that it is about 70 - 80% of the way to full compliance with NATO planning procedures.

- Training. The navy has developed a methodology for exercising in accordance with NATO practices and it has been approved. In April 2000, the navy will start to do exercises using this methodology.

- Increased use of NATO EXTAC (tactical exercise) documents for training. Admiral Petrov recalled that two Bulgarian officers had commanded activities in Cooperative Partner 99, and that Admirals Murphy and Spinoza had evaluated their work highly. EXTAC documents are by now deeply imbedded in his navy, he noted.

- Future navy structure. National plans call for a future Bulgarian navy of about 40 operational ships and about 10 ships as reserves, with a target date of 2004. This represents a reduction of 10 or more ships from current levels. A major constraint is the fact that Bulgaria's present fleet is overwhelmingly of Soviet origin, with problems of age compounded by difficulties of getting replacement parts. Within these constraints, Admiral Petrov envisages a priority focus on about 23 ships, of which 10 would be in an "immediate readiness" category (manned 100% and available in 48 hours) and the rest in a rapid reaction category (manned at 80% and ready in 3-4 days). The "immediate reaction" vessels would include a frigate and patrol corvette for ASW and general patrol duties. ⁿ

•Logistics. Replenishment at sea and in port are two examples. The Bulgarian navy has one universal supply ship; it can be deployed to the Med. It is being re-equipped with NATO-standard rigs. In Cooperative Partner, this vessel, *Atiya*, transferred fuel to the U.S. It will go to the Med later in October to do Passexes.

•Further under the interoperability rubric, Bulgaria wants to re-equip the nearby Borgas base to develop it as a naval base to berth NATO ships. Programs have been approved by the Bulgarian leadership and submitted to NATO for infrastructure funding.

• Since it lacks the resources to change its Soviet-origin ships and equipment, Bulgaria needs to focus on communications and information systems compatible with NATO. This is not a perfect solution but it allows the earmarked ships to take part in reliable command and control in case they are in a multinational task force. In the 2004 plan the armed forces as a whole will also develop a plan for upgrading communications interoperability. (Comment: the implication is that the navy is ahead of headquarters in this regard.)

•Equipment for command and control at both Varna and Borgas is inadequate. For exercises such as Cooperative Partner, it is necessary to borrow equipment from NATO HQ in Naples -- then to return it (ruefully noted).

•Cooperative Partner had amphibious operations in 1997 and 1998, but the amphibious portion was cancelled in 1999 because of Kosovo.

•Language is a key part of interoperability. All commanders, he estimates, have good English training. About 30% of those at HQ can work in English. There is a three-month course, two hours a day, with a focus on maritime terminology. The course is under the leadership of the UK consulate. NCOs also get training. There is also a good program at the naval academy. "A major priority," Admiral Petrov commented.

ⁿ Admiral Petrov's vision for the Bulgarian navy of 2004 is approximately as follows:

2 -3 frigates, as national assets and for participation in possible future missions under international aegis

Disconnects – Other views

We asked Admiral Petrov about differences between the navy and the MOD and General Staff concerning Black Sea and Mediterranean missions for his navy. He replied in the negative, pointing out that his headquarters supported exercises in these waters and provides resources when needed. He noted that the October 1999 Passexes in the Med proposed by Admiral Murphy had been greeted by the Chief of Staff with enthusiasm. As for his vision of the future Bulgarian navy, he believes that he has convinced headquarters to accept it and that it is reflected in the current version of the Defense Ministry's Plan 2004.

In Sofia we raised the role of the navy with the Director of Defense Planning of the Ministry of Defense, and his Deputy.³⁷ They said that Bulgaria is one of the smallest countries in the region and cannot plan to fight others. Its main role is to protect Bulgaria's coast, and it also needs to be able to exercise control of territorial and economic waters (the 200-mile EEZ). As for differences of view, they preferred not to get into specifics but noted that there are some differences on missions in time of conflict, and a need to clarify overall strategy with regard to the navy. There are also still some issues concerning ships, but not manpower. Overall, they noted, it is hard to clarify such issues given the lack of an approved overall military strategy.

The Context for engagement

The Bulgarian navy is an enthusiastic supporter of U.S. naval presence in Bulgaria and U.S. naval engagement activities that involve Bulgaria. The motivations are strong and varied:

8 - 10 multifunctional corvettes (up to 1200 tons), maybe modular
8-10 missile corvettes (6 - 800 tons) with strike and deterrence capabilities
A few MCM vessel groups
An auxiliary ship for transport, salvage, rescue, etc.
A squadron of multi-functional helos.

- The tradition of involvement in exercises and activities with other countries in the region.
- The value of activities involving the U.S. or other highly capable allies for Bulgaria's NATO candidacy.
- The opportunity for time at sea that comes from reimbursement of fuel and other costs associated with PfP and "in the spirit of PfP" activities.
- The added weight brought to the navy's blue-water vision from participation in blue-water exercises.
- The belief that multinational naval cooperation, especially involving the U.S., is a stabilizing factor for the region.

Possible activities

We believe that the U.S. Navy should continue a level of ship visits,^o PfP and bilateral exercises, flag visits, exchanges, and other traditional activities that will keep it in close contact with its Bulgarian (and Romanian) counterparts and provide tangible evidence of U.S. support for the two countries.

Several suggestions for activities of a cross-cutting, formative engagement nature came up in discussions with Bulgarian and American interlocutors:

- Harbor cleanliness
- Oil spills
- Maritime administration
- Anti-terrorism

The U.S. Coast Guard can play a substantial role in many of these activities.

^o Because of shallow pierside depths at Bulgarian ports, U.S. Navy ships will have to anchor out in many cases.

There are also two considerations to bear in mind that are particular to the Bulgarian case:

- Admiral Petrov underscored his interest in including Russia whenever possible in multilateral activities.
- Varna, a seasonal resort town, is many hours from Sofia and does not necessarily reflect social and professional interests and skills available in the capital.

Bear in mind

There are a number of similarities between Bulgaria and Romania with regard to planning for future navies. There are also some differences. Both have a different vision of the navy's role beyond the commonly accepted mission of coastal and border protection. Yet the prospects for effective coordination appear better in the Bulgarian case. The differences between the navy and headquarters seem somewhat narrower, and communications better. There is also an institutional advantage. Admiral Petrov was Deputy Chief of Staff in Sofia until 1998 and is on good terms with his headquarters colleagues from other services. Bulgaria, to mitigate its tradition of an army-dominated military establishment, has passed a law that requires the Chief of Staff position to rotate among the three services. The incumbent is from the air force, and Admiral Petrov is widely expected to be the next Chief of Staff.

It is beyond the scope of this profile to judge the merits of the differing futures of the Bulgarian navy under discussion in Sofia and Varna. That said, the resolution of planning debates and contrasting visions is still a ways off. Meanwhile, resources are so scarce that any expenditure is by definition at or near the margins of national ability.

There is another consideration worth mentioning. There may be cases in which the symbolic value of visible participation in coalition operations by other navies—like Bulgaria's—may be important for political reasons. It is doubtful, however, that this factor alone would justify changing current NATO and OSD priorities for this or other Black Sea navies.

We recommend that NAVEUR periodically monitor the state of thinking in Bulgaria on the navy's future. Meanwhile, until there is a clearer sense

of direction, we suggest a prudent approach toward initiatives that have the potential to incur additional Bulgarian expenditures or reallocate existing budgets.

Endnotes

- ¹ For useful snapshots of Bulgaria, see Department of State, *Background Notes: Bulgaria* (October, 1999); CIA *Factbook*, 1999; and Economist Intelligence Unit, *EIU Country Profiles - Bulgaria* (July, 1999).
- ² *Encyclopaedia Britannica*, 15th Edition, 1987.
- ³ *The Economist*, February 27, 1999.
- ⁴ EIU, *Country Profile - Bulgaria*, pp. 17-18, 21-22.
- ⁵ State Department, *Background Notes*.
- ⁶ Radio Free Europe/Radio Liberty (RFE/RL) *Newsline*, January 12, 1999
- ⁷ USAID, *CPD*, p. 2.
- ⁸ RFE/RL *Newsline*, December 21, 1999; Michael Shafir, "Two Very Different Reshuffles," same, December 23, 1999.
- ⁹ This section draws extensively on *Background Notes* and *CPD*, cited earlier.
- ¹⁰ RFE/RL *Newsline*, November 22, 1999; Press briefing by NSC Advisor Berger, Sofia, November 22, 1999.
- ¹¹ *The Economist*, February 27, 1999, "Turks and Bulgars Make Up;" EIU, *Country Profile*, p. 12.
- ¹² Discussion with Planning Director, Bulgarian Defense Ministry; and U.S. Charge Dell, October, 1999.
- ¹³ European Council meeting at Helsinki, December 10-11, 1999.
- ¹⁴ State Department, *Background Notes*.
- ¹⁵ *The Washington Times*, August 25, 1999.
- ¹⁶ OSD/ISA and EUCOM Report, *Bulgarian Defense Reform Study* (DOD, 1999), pp. 5-6.
- ¹⁷ Interview, October 8, 1999.
- ¹⁸ RFE/RL *Newsline*, August 31, 1999.
- ¹⁹ Discussion October 8, 1999 with MOD Defense Planning Director Dr. Todo Togarev, and Deputy Director Colonel Valeri Ratchev.
- ²⁰ *Bulgarian Defense Reform Study*, pp. v, 25 ff.
- ²¹ *Source: Briefing by Bulgarian CNO, October 1999*.
- ²² *Bulgarian Defense Reform Study*, p. 60-61.
- ²³ Same, p. 60; and discussions in Varna.
- ²⁴ Same
- ²⁵ Same, p. 62.
- ²⁶ Discussions, Varna Bulgaria, October 6-7, 1999.
- ²⁷ International Institute for Strategic Studies (IISS), *The Military Balance*, 1998-99.
- ²⁸ *Bulgarian Defense Reform Study*, pp. 58, 138.
- ²⁹ *Bulgarian Defense Reform Study*, p. 65
- ³⁰ *Periscope* ([Http:www.periscope.usg.com](http://www.periscope.usg.com))

³¹ *Bulgarian Defense Reform Study*, p. i.

³² U.S. Army Major General (ret) Henry Kievenaar, formerly Director for NATO and Europe, OSD/ISA.

³³ *Bulgarian Defense Reform Study*, p. iii.

³⁴ Same, pp. 9-10.

³⁵ Same, pp. vi, 66, 91, 113, 117.

³⁶ Same, p. 112.

³⁷ Discussion October 8, 1999, with MOD Defense Planning Director Dr. Todo Togarev, and Deputy Director Colonel Valeri Ratchev.

Georgia

I cannot help being nervous, although I have addressed many different audiences before, for today the dream of all Georgians has come true: we have become a part of the European family. I want you to realize that this is a triumph of a small nation, which has managed to preserve its language, its motherland and its religion.

-- President Eduard Shevardnadze, speaking April 27, 1999, after the Council of Europe accepted Georgia¹

Summary

Georgia is the least stable of the Black Sea littoral states. Its transition to independence was marked by violence and chaos. It remains divided by movements for secession or regional autonomy, all of which favor close ties to Russia. Georgia's sense of threat is higher than that of any other Black Sea littoral state. Political violence against President Eduard Shevardnadze and his government is a continuing possibility. Russian influence remains, as Georgia still needs Moscow for internal mediation and peacekeeping. Georgia welcomes U.S. engagement activities. Given its isolation and beleaguered environment, Navy engagement there can pay relatively higher dividends than elsewhere in the Black Sea region. We believe Georgia (along with Ukraine) should have top priority for scarce assets.

- Shevardnadze, respected in the West but intensely disliked by the Russian military, has made substantial progress since 1992. He stabilized a catastrophic economic situation and helped Georgia become a working democracy, with representative elections and a lively parliament. He has also put Georgia on a Western track, with strong ties to NATO and the European Union.
- Georgia's sense of threat is higher than that of any other Black Sea littoral state. Beyond internal instabilities, Georgia is affected by

the adjacent Russia-Chechen war and nearby conflict between Armenia and Azerbaijan.

- Relations with the United States are excellent. America is a major aid donor and supports key programs in the areas of economy, democracy, and social issues. U.S. endorsement is important in maintaining Georgia's fundamentally Western orientation.
- Ties with Russia are marked by dependency and anxiety. Russia's presence is shrinking but its leverage remains significant. It retains an important peacekeeping role in two of Georgia's breakaway regions. Russia opposes NATO membership for Georgia and views the proposed Baku-Ceyhan pipeline, which is to transit Georgia, as anti-Russian.
- Georgia is active in NATO's Partnership for Peace (PfP) program. Its stated interest in NATO membership escalated dramatically when Shevardnadze said he would seek to join NATO if reelected in 2000. Georgia is unlikely to be a successful candidate in the foreseeable future, however. One reason is its weak military establishment and economy. Another is sensitivity among NATO allies to Russia's reaction.
- The first years of independence were marked by strong distrust between Shevardnadze and the military. A new defense minister appointed in 1998 has Shevardnadze's confidence and is working to rebuild defense forces. Georgia's small armed forces survive with inadequate pay and wretched living conditions. Most personnel are conscripts. Desertion rates are over 10% a year.
- Georgia's navy is the weakest service, with several hundred personnel and a fleet cobbled together from former Soviet craft and recent gifts from friendly states. The rebel Abkhazian navy appears larger and better equipped than the official Georgian one.
- For reasons unique to Georgia, the U.S. and other Western donors have decided to support Georgia's coast guard rather than its navy for the foreseeable future. It is a special case among Black Sea countries. The Georgian coast guard currently receives about \$17.5 million in U.S. assistance.

- Georgia welcomes U.S. engagement activities. Given its isolation and beleaguered environment, naval engagement there can have relatively greater impact than elsewhere in the Black Sea region.
- Several engagement activities could support Georgia's growing role as a transit route for energy and its needs for border control and revenue collection. These include oil spills response and prevention, coastal surveillance, counter-smuggling, and other coast guard activities.
- In planning U.S. Navy engagement for Georgia, the Georgian coast guard should continue to be the primary focus. The U.S. Coast Guard can play a key role in transferring skills and providing a model for its Georgian counterpart.
- Efforts to improve the capabilities of the Georgian navy, in current circumstances, are likely to be wasted, and can entail anti-Russian overtones that benefit neither Georgia nor the United States. At the same time, whether or not it merges with the coast guard, the Georgian navy is likely eventually to play a greater role in the country's defense and security affairs. Education and training activities in basic areas, such as logistics, that maintain contact with the Georgian navy, especially with able younger officers as they emerge, will enable the U.S. Navy to monitor developments and decide when to engage more assertively.
- The simple presence of an American vessel is more important in the case of Georgia than elsewhere in the region.

U.S. policy goals

A democratic, prosperous and independent Georgia advances U.S. long-term geo-political, economic and humanitarian interests. Georgia is a strategically located country, sharing a border with Russia and offering Black Sea ports for the transportation of energy and other crucial commodities. As a vibrant, free-market democracy, Georgia can become a stabilizing force in a region that is likely to be an important alternative source of oil supplies to the West. The consolidation of democratic order, introduction of market-oriented reforms, and the privatization of important

industries under the leadership of President Eduard Shevardnadze and a progressive parliament are helping Georgia to recover the momentum lost during the years of civil strife.

--U.S. Agency for International Development,
Congressional Presentation FY 2000: Georgia

The United States, of course, is very closely associated with and highly supportive of the Shevardnadze government in Georgia, and the timing and importance of Secretary Cohen's visit to Georgia cannot be understated as an expression of American support for and commitment to Georgian sovereignty, the success of Georgia as a state, Georgian independence, as well as support for the Shevardnadze government itself.

--Secretary of Defense William Cohen's trip to Asia,
Ukraine and Georgia: background briefing, July 21, 1999

The United States strongly supports Georgia's progress in democracy, Georgia's sovereignty, and Georgia's territorial integrity. With U.S. assistance, Georgia has begun to control its own borders.

-- Secretary of Defense Cohen, in joint press conference
with Georgian President Eduard Shevardnadze, Tbilisi,
August 1, 1999

The domestic situation: political and economic considerations

Background

Georgia is a small, rugged country with a population of slightly more than 5 million, about a quarter of whom live in the capital of Tbilisi. Georgians are the major ethnic group and constitute about 70% of the population. Other ethnic groups abound. Often, they place a higher value on their ethnicity and local identity than on Georgian nationhood. As one

former U.S. Ambassador to Georgia put it, “It is as if each micro region—each block in town, almost—sees itself as a separate entity.”² Three such groups—the Ossetians, Abkhazi, and (in lesser degree) Armenians—are involved in secessionist activities or other challenges to the Georgian central government.

Georgia has an ancient language and history. From the 7th to 18th centuries, it was often besieged by outside groups that included its Persian (Iranian) and Turkish neighbors, as well as Arabs and Mongols from farther away. During much of this period, Russia was an ally or protector. Georgia was integrated into the Russian Empire during the 19th century. It kept a strong sense of cultural identity as well as a largely autonomous Christian Church. Georgia had a brief period of independence after the collapse of Czarist Russia and the start of the Russian Civil War. It was then occupied by the Red Army and brought into the Soviet Union in 1921. Georgia and Armenia were the only two Soviet republics allowed to keep their native alphabets. Thus, native culture and identity survived, despite the ensuing decades of Moscow’s iron hand.^a

A wild start

Georgia became independent of Moscow in 1991 and became a sovereign nation in January 1992, following the dissolution of the Soviet Union. By then, however, it was beset by crosscurrents of internal political feuding among Georgians—and by major challenges from ethnic and religious groups.

Chaos and violence marked the political scene in the new state. A nationalist poet and former Shakespeare scholar, Zviad Gamsakhurdia, was elected president. Soon ousted by rival politicians and warlords, he waged a guerrilla war and eventually committed suicide. (His admirers—the Zviadists—are still a significant domestic force). Two of the

^a Joseph Stalin, who ruled the Soviet Union dictatorially from the 1920s until his death in 1953, was a native Georgian. Stalin, however, was a Russophile and a confirmed centraliser, and his ethnicity was not of especial benefit to Georgia.

warlords,^b each commanding a sizeable independent military force, invited Eduard Shevardnadze to return in March 1992.

Shevardnadze was head of the Georgian Communist Party and the dominant Georgian political figure from 1972 until 1985. That year, he was invited to Moscow to become Soviet Foreign Minister under Gorbachev. In 1992, he was an esteemed figure in Georgia with an international reputation as a statesman and many admirers in the West. At the same time, he was widely disliked in Russia, where he was associated with the collapse of the Soviet Union and the Warsaw Pact, and what his critics saw as pandering to the West. The dislike remains to this day and borders on hatred among Russia's military.

Breakaway regions ³

In addition to civil war, Georgia faced several secessions and autonomy movements:

- The first was from South Ossetia, along the border with the autonomous Russian republic of North Ossetia. Ossetia seceded from Georgia, declaring itself part of Russia (then still the Soviet Union). After fighting and perhaps 1,000 fatalities, the sides agreed to a cease-fire in 1992—to be safeguarded by a Russian peacekeeping force. Over time, this force evolved into a joint Russian-Ossetian-Georgian peacekeeping operation. Today, the Ossetian situation is calm, but the Russian peacekeepers remain.
- A more violent, intractable challenge came in Abkhazia, a key region in northern Georgia whose coast includes the important port and resort city of Sukhumi. In 1990, the region's Abkhazian minority declared independence.^c In 1992, the Georgian Defense Minister (simultaneously a warlord with an independent force^d)

^b Discussed further below under "Defense issues."

^c In 1989, there were about 230,000 Georgian and about 95,000 Abkhazi in Abkhazia. In all, the Abkhazi were about 18% of the total population in Abkhazia. (Feinberg, *The Armed Forces In Georgia*, Center for Defense Information, Washington, D.C., 1999, p. 10; Economist Intelligence Unit (EIU) *Country Profile: Georgia, 1997-98*, p.6)

^d Tengiz Kitovani; see below, under "Defense issues."

sent troops into Abkhazia. The decision was not authorized by the central government. The results were catastrophic:

- Supported by Chechen irregulars⁴ and elements of the Russian military, the Abkhazi rebels routed the Georgian forces and expelled nearly 250,000 Georgian citizens. These now form a disgruntled, highly nationalistic group within Georgia.
- Another result was heightened dependence on Russia. To get Moscow's support, Shevardnadze agreed in 1993 to join the Russia-led Commonwealth of Independent States (CIS). Russia thereupon brokered a cease-fire in 1994, and took on an armed peacekeeping role under CIS aegis. Repeatedly since, Moscow has threatened to stop its peacekeeping operation in Abkhazia as a way to apply pressure on Georgia.
- The most recent conflict was in May 1998. Again, the government got beaten and another 60,000 refugees were generated. This was not a regional or Russian provocation: the government went in looking for a fight.⁵
- Ajaria is a relatively rich, predominantly Muslim region along Georgia's southern coast and includes the important port town of Batumi. The port and its border with Turkey are important reasons for its prosperity. During the 1990s, Ajaria carved out an unofficial independence status and took control of regional finances and trade. To a large degree, Ajaria is the fiefdom of Aslan Abashidze, a successful businessman and politician and the scion of a prominent regional family. He keeps close ties with Russia. To ensure a stabilizing Russian presence and to buttress his control, he pays Russian troops out of the Ajarian budget. And while he flaunts Tbilisi's authority, he does not seek secession. Indeed, he heads a successful, well-financed Georgian political machine (see below).
- Another thorn in the government's hide is the ethnically Armenian area of Javakhetia⁶ along Georgia's southern border with Armenia. Residents have virtually no ties with Tbilisi, maintain close economic and educational ties with Armenia, and strongly support

the presence of a local Russian base, which provides them with revenue and, in their view, stability.

Beyond immense stress on the new Georgian nation, these movements have two significant features:

- They effectively lop off the northern part of Georgia's 310-kilometer (194-mile) coast and put the southern part in question. A major part of Georgia's miniscule navy remains in Abkhazia as a rebel force.^e
- All four regions tend to be pro-Russian. Other things being equal, they prefer a Russian connection to ties with Tbilisi.^f

Politics and economics

Regional instabilities are paralleled by political warfare that, as elsewhere in the region, can be brutally rough. Georgia has a chronic case of coup fever, often with rumors of Russian machinations. The May 1999 coup attempt was the third major effort to overthrow Shevardnadze. Attempts on his life number at least half a dozen, and close calls include the 1998 attempt by supporters of the late president Zviad Gamsakhurdia.

Yet, to quote Ambassador Yalowitz,⁷ a "fragile stability" exists and includes some noteworthy progress in nation-building and economic stabilization. Achievements include a new constitution adopted in 1995, presidential elections the same year described as the fairest in the Caucasus or Central Asia,⁸ a representative and active parliament and a broad political spectrum,⁹ judicial reform, and some relatively effective privatization.

^eGeorgia has access to Batumi. Indeed, Georgia's naval cadets train there, and the Coast Guard relies on the Batumi naval shipyard. (*Jamestown Monitor*, August 4, 1999)

^fAbashidze has good ties to Abkhazia and sees himself as a way to bring both Abkhazia and Ajaria back into the Georgian mainstream.

⁸Unlike in Russia and Ukraine, the Communists play a small role, although under colorful leadership: The leader of the main branch is Panteleimon Giorgadze, father of former secret police head Igor Giorgadze, who is thought to be in Russia, resisting extradition to Georgia for the attempted assassination of Shevardnadze in 1995. The younger Giorgadze is a member of the party's Central Committee and its Moscow representative. (*Jamestown*

Georgia was a relatively prosperous part of the Soviet Union, relying on tourism, trade, industry, and agriculture. The collapse of the Soviet Union hurt it more than it did most other former Soviet republics. Tourism dried up. Industry was left without customers and suppliers from the former closed system—and without competitive products and services in the world economy. Internal chaos and the string of secessionist and semi-secessionist challenges made a very bad situation worse. The Georgian economy collapsed catastrophically in the early and mid 1990s. Production and incomes plummeted. Hyperinflation reached 15,607% in 1994.⁹

Recovery started in 1995 with Shevardnadze's new government. "From such a low base," the *Economist* pointed out, "there was almost nowhere to go but back up."¹⁰ A relentless commitment to stabilization brought inflation down dramatically (it was down to 7% in 1997 and about 10.5% in 1998)¹¹ and national product slowly began to grow. There has also been impressive progress in structural reform. Prices and trade have been liberalized, the legal framework for business is improved, and there has been major government downsizing. Wide scale privatization of small enterprises has been successful, though privatization of medium and large-sized companies has been slower.

Severe problems remain. Much of the country is poorer than a generation ago. Supply of electrical energy is abysmal, though improving since privatization in 1998. The government itself is reeling. Its tax collection and revenue base are woeful, with tax revenue estimated to be at one of the lowest national levels in the world.¹² Government wages, civil and military, are miserable and often paid months in arrears, as are the even more inadequate pensions. Corruption is rampant, even by the standards of other post-Communist governments.¹³

Monitor, June 2, 1999, and December 15, 1999.) Meanwhile, the head of an umbrella alliance of left-wing parties that also claims to represent the Communists is Yevgeni Djugashvili, grandson of Joseph Vissarionovich Djugashvili, better known as Stalin. He is 63 years old and a former colonel in the Soviet Army. (RFE/RL Newline, August 6, 1999)

Elections of 1999

The parliamentary elections on October 31 were a victory for President Shevardnadze – but also a strong showing for his rival, Ajarian potentate Aslan Abashidze. The pro-government group (the Union of Citizens of Georgia) polled about 42% of the vote. Abashidze's coalition (the Union for the Democratic Revival of Georgia) got about 26%. Under Georgia's electoral system, this result gives the pro-Shevardnadze group a comfortable majority in parliament, and Shevardnadze hailed the results as a "victory for democracy."

At the same time, the voting establishes Abashidze and his group as the second political force in the country. Abashidze ran his campaign with slogans calling for closer relations with Russia, slowing down or reversing market reforms, and reconcentrating power in the hands of the state.¹⁴ (His support had waned, however, by the April 2000 presidential elections, in which he unsuccessfully opposed Shevardnadze.)

Goals and prospects

Shevardnadze has a commitment to a continuing democratic process and to economic reform and restoration of economic health. Goals with regard to the secessions and autonomies he faces are less clear. Leeway for initiative is circumscribed by such factors as Russian-Chechen fighting, and the strong views of Georgian refugees from Abkhazia against any concessions to the Abkhazi insurgents. His long-term foreign policy goals are to join the EU; steer Georgia closer to NATO (he said he would seek membership if reelected); and keep relations with Russia on an even keel. The latter two can be mutually contradictory.

Shevardnadze was re-elected to a second five-year term as President April 9, 2000, winning with more than 80% of the overall vote.

We can expect continuing economic stabilization and progress in reform. At the same time, the short-term economic picture is clouded given economic slowdown in Russia and elsewhere, a growing trade deficit, continuing problems with corruption, and political uncertainties.¹⁵

Over time, however, growing confidence in Georgia should produce more investment. Part of this dynamic is Georgia's increasingly important role in the transportation of energy. Two recent developments stand out:

- The 855-km (534-mile) Baku-Supsa pipeline, completed in 1999. This system carries Caspian Sea oil from Azerbaijan through western Georgia to the Georgian port of Supsa. Initial revenues are expected to be modest (\$2–3 million) but should increase with greater oil flows.¹⁶
- The Baku-Ceyhan pipeline, endorsed in Istanbul in November 1999 by the leaders of the U.S., Turkey, Georgia, and Azerbaijan. If it materializes, this major conduit will carry Caspian oil through Georgia to the Turkish port of Ceyhan. Its construction and utilization will depend in large measure on the private companies that will have to decide whether to finance the venture.

Risks

Georgia's future is more subject to chaos and risk than that of any other Black Sea littoral state. There is a history of threats from within and presumed threats from Russia or rogue Russian elements. There is no clear successor to Shevardnadze within that large and important sector of political and public opinion he leads. There are also leaders-in-waiting anxious to take over. Abashidze and the Giorgadzes^h are among the more plausible cases in point and have strong Russian connections.

Perceptions of security

Georgia's sense of threat is higher than that of any other Black Sea littoral country and most post-Soviet states.

While Georgia shares with other Black Sea states what are by now "traditional" security concerns (such as porous borders, smuggling, and illegal immigration), these are dwarfed by internal splits and foreign

^h See preceding footnote.

threats. Following are Georgian security perceptions of other countries in the region:

- Georgians know that Russia is crucial to their internal stability; they also fear it as a threat to survival. The Russian-Chechen war raises the temperature in the region; the Russians claim Georgia is helping the Chechens, and are engaging in a campaign of thinly veiled threats against Georgia in an effort to pressure it into cooperation by closing the border.
- Armenia, for centuries a friend, is today a much more tense neighbor, given its close ties with Russia and its enmity with Azerbaijan.
- Azerbaijan is a promising partner in the oil transit trade and an occasional ally in regional opposition to Russian influence. But it is an unstable neighbor with an ill and authoritarian leader, Heidar Aliev.
- Ukraine is a helper and friend – but often seems too close to Russia.
- Caspian oil is a source of potential wealth and influence. It is also a stimulus for coup-plotters, foreign or domestic.

Relations with the United States

Relations between the two countries are excellent. Georgia's leadership recognizes that U.S. humanitarian assistance was critical to Georgia's recovery from civil war and economic difficulties following independence. They consider U.S. endorsement important in maintaining Georgia's fundamentally Western orientation, and they count on America's friendly support within international financial organizations and NATO.

The U.S. is, after the World Bank, the second largest donor to Georgia: it has provided approximately \$375 million to Georgia since 1993. Other important donors are the European Bank for Reconstruction and Development and the European Union.¹⁷

Current U.S. programs¹⁸ focus on the economy, democracy, and social issues:

- In the economic area, programs support privatization, enterprise growth and development, fiscal reform, private financial sector development, and energy restructuring.
- In the area of democracy and governance, programs support citizens' participation in government as well as NGOs, political parties, and independent media. They will assist legal and judicial reform and effective local government.
- In the social sector, there is continuing aid to victims of the Abkhaz conflict and others, as well as work at the community level to increase household self-sufficiency.

Other programs focus on building institutional partnerships in the health area and provide vaccines, medicines, and equipment.

Among U.S. agencies with personnel working to assist Georgia are Treasury, Customs, and DOD. The U.S. also provided Georgia with bilateral security assistance, including through the International Military Education and Training program (IMET). U.S. assistance to support Georgia's coast guard and border guards is substantial. It is discussed later under "Defense issues."

Relations with other regional countries and European institutions

Regional countries

Key relationships with regional states include:

- Russia. Georgia's ties with Russia are marked by dependency and anxiety – and the desire to have good relations without becoming a client state. Russia's presence is shrinking. Its leverage, however, remains significant.

- Georgia wrested agreement from Russia in 1998 to phase out of patrolling Georgia's borders. The last Russian border guards left October 15, 1999.¹⁹
 - Russia agreed to close two of its four bases by July 2001. One is in Abkhazia, the other near Tbilisi. Russia had been phasing out personnel to save money and to devote more resources to the war with Chechnya. Nonetheless, the agreement (reached in November 1999 at the OSCE Istanbul summit) came as a surprise. (More details below, under "Defense issues.")
 - Georgia agreed in August 1999 to prolong Russia's peacekeeping mandate in Abkhazia. Georgia was reluctant to renew the official status for the peacekeeping forces but agreed when Russia threatened to withdraw its forces immediately.²⁰
 - Russia has repeatedly charged Georgia (and Azerbaijan) with abetting the Chechen forces, a charge Georgia denies. According to Shevardnadze, Russia has also asked for permission to launch attacks against Chechen fighters from Georgian territory. (The request was denied.)²¹
 - Georgia is dependent on Russia for oil and gas supplies. Occasionally, Russia turns off the tap to collect overdue payments.²²
 - Russia is suspicious of Georgia's growing ties to the west. It has criticized President Shevardnadze's intentions to bring Georgia into NATO if reelected in 2000.²³
 - Russia views the Baku-Ceyhan pipeline (and Georgia's important transit role) as part of a deliberate campaign to replace its regional influence with that of the West.
- Turkey has evolved into an important regional partner. It is supportive of Georgia's aspirations for internal reform and shares its goals of regional stability. Economic ties are important and political ties are good. Turkey's President Demirel has called

Georgia “the closest and most reliable partner of Turkey, with whom we are going to cooperate to establish stability in the region.”²⁴

- Ukraine and Georgia each place a premium on the other’s independence. They share a similar, complex relationship with Russia. Ukraine offers Georgia help with military training and has provided several small ships to its coast guard and navy.
- Azerbaijan and Georgia have cordial relations and are linked in the Baku-Supsa and Baku-Ceyhan ventures to transport Caspian oil.
- Georgia’s historically close relations with Armenia are more tense than usual. Much of Georgia’s Armenian minority looks to Armenia rather than Georgia for its identity. Armenia’s ties with Russia are among the closest of any of the post-Soviet states. And it is at sword’s point with Azerbaijan over the enclave of Nagorno-Karabakh.
- Relations with Iran are good, according to the *Economist*, “but the Georgians downplay this to keep the United States happy.”²⁵

European institutions

Georgia aspires to European Union (EU) membership and receives assistance from the EU. It is, however, a long way from being a viable contender for membership and is not on the EU’s list of six slower-track official candidates for accession (which includes such countries as Bulgaria, Romania, and Slovakia).

Georgia was admitted to the Council of Europe in April 1997. It joined the World Trade Organization (WTO) in October 1999, the second CIS member (after Kyrgyzstan) to be admitted.²⁶

Georgia and the European security order

NATO

Georgia is an active participant in NATO's Partnership for Peace (PfP). Its expressed interest in NATO membership escalated dramatically when President Shevardnadze said in October 1999 that he would seek to bring Georgia into NATO if reelected in 2000.²⁷

Earlier in the year, Georgia was supportive of NATO's air campaign over Kosovo and Yugoslavia. Shevardnadze made an analogy between the ethnic cleansing in Kosovo and the situation in Abkhazia. Other Georgian politicians went further, calling on NATO to intervene militarily in Abkhazia.²⁸

Georgia is unlikely to be a successful candidate for NATO in the foreseeable future. One reason is its weak military establishment and economy. In this context, it is worth noting Secretary of Defense Cohen's comments in Tbilisi in August 1999 that NATO's door is open – but that “the door stands at the very top of a steep set of stairs.”²⁹ Another reason, at least from today's perspective, is that some NATO allies are likely to be sensitive to Russia's reaction.

Commonwealth of Independent States, GUUAM, and Black Sea Economic Cooperation

Georgia has been a member of the Commonwealth of Independent States (CIS), a Russian-sponsored grouping of most post-Soviet states, since 1993. It does not participate in CIS security arrangements and is a member of GUUAM, an informal, independent-minded subgrouping described earlier.

Georgia has joined three regional countries – Ukraine, Azerbaijan, and Moldova – as well as Uzbekistan, to form a rump caucus within the Russian-dominated Commonwealth of Independent States (CIS). The caucus, known as GUUAM, has resisted efforts at CIS integration and made a point of meeting as an independent subgroup within the CIS.

GUUAM has voiced aspirations to be a security subgrouping in its own right. Moscow views it with scarcely hidden hostility

Georgia is a member of the Black Sea Economic Cooperation pact, a Turkish initiative from 1992 with a diverse membership that includes several countries at odds with each other.¹

Defense issues

A legacy of distrust

The first several years of independent Georgia were marked by a strong distrust between the presidency and the military—and a deliberate subordination of the formal military structure, including the Ministry of Defense. This unusual background explains some of the peculiarities of Georgia's defense structure as well as its weakness.

Irregular forces have made up most of Georgia's armed forces since independence in 1991. They include guerilla organizations, irregular forces working closely with the government, and secessionist forces. One such group—the irregular national guard—was responsible in 1992 for starting the disastrous war with Abkhazia, which ended that region's secession and defeat of Georgian forces.³⁰

In the period 1991-1994, two such groups—the *Mkhedrioni* (or "Horsemen") and the national guard—made up most of the government's armed forces. During this time, they enjoyed an ambiguous status—nominally part of the government, yet still engaged in pursuing their own agendas of military activity and crime. They also provided the Georgian government's top military leadership, an extremely uncomfortable situation for Shevardnadze.

- The leader of the *Mkhedrioni* (former drama professor Jaba Ioseliani) was a vice chairman of the government and deputy chairman of Georgia's National Security and Defense Council in

¹ Members are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine.

the early 1990s and continued to play an influential role for several years despite Shevardnadze's suspicions. He was convicted of a 1995 assassination attempt against Shevardnadze and other acts of political terrorism and remains in jail.

- The leader of the national guard (Tengiz Kitovani) played the role of Georgian kingmaker in 1992. He led the forces that ousted the elected President—former poet Zviad Gamsakhurdia. Along with Ioseliani, he invited Shevardnadze to return to Georgia and form a government. He became Vice Premier of Defense in that government. For several years he remained in important positions while continuing his affiliation with the national guard—which, although renamed and formally integrated into the armed forces, remained independent. In early 1995, he used this force in an attempt to lead another unauthorized attack on Abkhazia and was later imprisoned for an attempt to incite civil war.³¹

In 1994, hoping to gain Russian support and resources and consolidate control over the fractious armed forces, Shevardnadze named a new Defense Minister, Vardiko Nadibaidze. A Georgian, Nadibaidze had been a senior officer in the Soviet military and had recently served as Deputy Commander of Russian forces in the Southern Caucasus.^j He was also the godfather of Russia's Defense Minister, Pavel Grachev. Over the years, Nadibaidze retained a pro-Russian orientation while Shevardnadze, among others, explored ties with the West.

In April 1998, Shevardnadze selected a new Defense Minister, David Tevzadze. He has Shevardnadze's confidence and is working to rebuild the country's defense forces—and restore confidence in the Defense Ministry, which for years had been excluded from power and decisions on the grounds of ineffectiveness and political unreliability. An alumnus of the NATO Defense College and U.S. Command and General Staff College, Tevzadze enjoys good relations with Secretary Cohen and other Western counterparts.

Russian influence also extended to the politically sensitive border guards. After a period of Georgian control, this force was again put under Russian

^j The Group of Russian Forces in Transcaucasus, or GRZV.

control, where it remained until 1998. Since then, it has been led by a pro-Western appointee, Valeriy Chkeidze. An internal debate over whether the navy or the coast guard (a part of the border guard) should control Georgia's coastline reflected a broader disagreement: the pro-Russian orientation of the Defense Minister, and the Western leanings of the head of the border guards.³² In August 1998, the coast guard assumed full responsibility for the Georgian coast.^k

Armed forces

Georgia's military forces number substantially less than the authorized strength of 27,000—perhaps as little as half that number.¹ The standard of living is wretched, marked by inadequate food, clothing, health care, and shelter. Pay is miserable. As of late 1999, military personnel had not been paid for six months.³³

Military resources, too, are dismal. Most of the personnel are conscripts, and desertion rates are high—over 10 percent of overall personnel strengths, according to official estimates, and probably higher.

The officer corps is weak. In part, this is a legacy from Soviet days, when most ethnic Georgian officers served in the rear. In part, it is a result of the purging of militia members from the regular defense establishment. Recognizing this gap, the U.S.—as well as Germany, Turkey, Ukraine, and NATO's PfP—provide officer training, as does Russia.

The army has about 12,000 persons, nominally in several brigades, and includes one peacekeeping battalion. It inherited a heavily mechanized Soviet-style force structure designed to fight in Eastern Europe. The Georgian objective, supported by the United States, is to reorient this structure into a more mobile, smaller military consistent with contemporary Georgian threat perceptions as well as resource constraints.³⁴

^k Prior to 1992, the Georgian coast was guarded by coast guard elements of the Russian Black Sea Fleet (Feinberg, p. 27).

¹ Unofficial estimates place force strengths lower than the official estimate of 30,000; counting desertions, some place the numbers dramatically lower, in the 10,000 - 15,000 range. (Feinberg, pp. 20-21)

The air force has about 3,000 personnel and about 17 aircraft, as well as surface-to-air missiles.

Navy and coast guard

Denuded of assets in 1992 by departing Russian forces, Georgia's navy is the weakest of the services. It has several hundred personnel and a fleet of perhaps a dozen coastal patrol craft, a half-dozen amphibious landing craft, and four coastal minehunters, cobbled together from former Soviet craft and recent gifts from states such as Ukraine, Greece, Germany, and Turkey. Only some of these vessels are operational. It lacks modern navigation aids, stabilized guns, and fuel. It has no doctrine, no integrated logistics system, and few spare parts. It remains as a symbol—though a very weak one—of national pride.

While naval headquarters are in Tbilisi, most of the force is in Poti. Seventy percent of the naval officer corps positions were vacant in 1998.³⁵

The rebel Abkhazian navy appears to be larger and better equipped than the official Georgian one, with over 20 warships of different kinds, including a number of civilian boats converted to warships by adding machine and anti-aircraft guns. During the 1992-93 civil war, Abkhazia's rump navy was effective against Georgian forces.

The Georgian coast guard has about 17 vessels. These include two U.S.-manufactured patrol boats funded by DOD, and other vessels from Turkey, Germany, Greece and Ukraine. The centerpiece vessel is a former German minesweeper. An ex-U.S. Coast Guard patrol boat is slated to be transferred to Georgia in June 2000.

U.S. support to Georgia is extensive. The largest share of defense and security-related assistance is to the coast guard and border guard, which currently receive about \$17.5 million yearly (most of it for the coast guard). There is a joint DOD, Customs, and Treasury program to improve border security. IMET funding is used for language and other training for Georgian officers. The United States also provides aid to raise the hulks of vessels sunk in Poti harbor by the Russians on their departure.

In theory, the Georgian coast guard and navy have agreed on a division of responsibilities. The coast guard patrols within the 12-mile coastal zone and mans a coastal station near pipeline facilities. The navy is on stand-by to provide further assistance, and is to provide mine-clearing operations in ports. The two services also share training and ship-repair facilities. There is an informal navy-coast guard command at Poti to maximize resources.³⁶

In practice, coordination leaves much to be desired. Day-to-day contacts between these two services are strained. During an August 1999 U.S. Coast Guard visit to Georgia, the Georgian navy acted as host. It had not bothered to inform the Georgian coast guard, which was belatedly brought into the activities courtesy of the U.S. Defense Attaché's office. In another potential disconnect, the Georgian coast guard shows interest in military operations against the Abkhaz rebels to the north.³⁷

Why the Georgian coast guard is a special case

Georgia started the process of assuming control of its borders in 1998, moving to replace Russia's border guards. In that context a decision was made by Western donors to help Georgia assert sovereignty over its land and sea borders as quickly as possible. Within that framework was a decision to focus on the Georgian coast guard. Among likely reasons were: the need to prioritize resources to one service; the strong leadership at the head of the border guards; and a calculus that it was more prudent to replace the departing Russians with a civilian force.

There has been some discussion within the Georgian government about merging the two services. Prevailing thinking seems to be that the border guard would be called on to assume responsibility for the deteriorating naval fleet—to include items such as pay, rations, training, and (most importantly) readiness. If this happens, it is likely that all naval assets will be consolidated under the coast guard during peacetime, with operational control of the combined fleet passing to the Georgian naval staff during times of conflict.

Georgian guerrillas

The two leading irregular forces are the White Legion and the Forest Brothers. They are composed largely of volunteers from the large population of Georgians displaced from Abkhazia. These groups are often involved in attacks on the insurgent Abkhaz militia, as well as the Russian peacekeeping forces operating under the banner of the Commonwealth of Independent States (CIS). On a number of occasions, these forces may have acted with the tacit or covert support of the Georgian Government, which refers to them as Georgian “self-defense” forces.³⁸

Opposition forces

Secessionist active forces in Abkhazia may number about 5,000 and have tanks and armored personnel carriers at their disposal—as well as a navy that, as noted above, is probably more effective than Tbilisi’s. Forces in southern Ossetia may number about 2,000 and have several armored vehicles.³⁹

Russian forces

In 1995, Russia and Georgia signed a 25-year lease giving Russia legitimized access to the four bases it maintained in Georgia. In addition, Russia got responsibility for protecting Georgia’s borders (land and maritime) and for training Georgian forces.^m Russian forces at the four Russian bases numbered as many as 10,000 persons in 1998-99.⁴⁰ They appear to have been cut back substantially as a result of Russia’s worsening economic situation and the 1999 internal war with Chechnya.

In a surprise agreement in November 1999 at the Istanbul OSCE summit, Russia agreed to close down two bases (Vaziani and Gudauta) by July 2001. Russian motives seem to be a combination of resource needs, perhaps related to the Chechnya campaign; and an effort to comply with

^m Vaziani near Tbilisi; Gudauta, in Abkhazia; Batumi, in Ajaria; and Akhalkalaki in the predominantly Armenian region of Javakheti, near the border with Armenia. The agreement was not formally ratified by Georgia. See Feinberg, 17.

treaty limits under the Conventional Forces in Europe (CFE) treaty. (Shortly before, Russia also agreed to withdraw its forces from the former Soviet republic of Moldova.)⁴¹

Whether the withdrawal schedule will hold is uncertain. The Russian-Georgian dialogue on Russian forces has an unusual history and a pattern of sudden reversals, reflecting the fact that Georgia both resents the Russian bases and has at various times needed them for stability. The two bases slated to remain (Batumi and Akhalkalaki) host the bulk of Russian troops currently in Georgia. They are locally popular—in part because they provide jobs and revenue, in part because the local population tends to be pro-Russian and values the Russian connection more than the Tbilisi one.

Russian peacekeeping forces are in Abkhazia and in South Ossetia. Russian peacekeepers in Abkhazia, operating under a CIS mandate, totaled almost 1,700 in 1999. It is widely accepted that without such a peacekeeping force, civil war would again break out. This situation gives the Russians considerable leverage with Georgia, and on various past occasions they have used the threat of a pullout of their peacekeeping forces to gain concessions on other issues (e.g., on maintaining bases).

The peacekeeping operation in South Ossetia is an unusual arrangement that combines Russian, Georgian, and South Ossetian forces. The Russians are the largest component, probably numbering about 700 during 1999.⁴²

The context for engagement

Georgia is receptive and welcoming to engagement activities. It sees them as an important sign of Western interest and support. It is also well aware that they are seen as such by local friends, rivals, and enemies—including the Russians and other regional countries. Not least, they give U.S. policy interests a visible human dimension in a remote, beleaguered area.

Local capabilities for dealing with engagement are very modest and can easily be strained. During the sole U.S. port visit in 1999—that of the

Coast Guard cutter *Dallas*—both U.S. and Georgian capabilities on the ground were stretched. The American Defense Attaché had to take over a major part of the coordination to assure that events happened as planned and that the Georgian coast guard, not just the navy, was involved. Issues relating to funding fuel for at-sea exercises took special attention and required the intervention of the Defense Minister (who drove the seven hours from Tbilisi to Poti) to ensure that they worked out.

This should be seen as a challenge, not an obstacle. U.S. Ambassador Kenneth Yalowitz strongly encourages more U.S. military engagement activities. He has also pointed out that American capabilities to handle military programs are growing, with a second Defense Attaché, a EUCOM team co-located with the MOD, and a military assistance group due to take up work in Georgia in 1999.⁴³

Suggested activities

Given Georgia's isolation and beleaguered environment, naval engagement there can have relatively greater impact than elsewhere in the Black Sea. We believe that Georgia (along with Ukraine) should have top priority for scarce assets with the aim of creating a modest, evolving pattern of U.S. visits and activities.

The best prescription is a program that can plan ahead and build on preceding activities and experience (a "building block" approach). Such an approach, however, may be precluded by inadequate resources and the need to rely on catch-as-catch-can availability. In the case of Georgia more than elsewhere in the region, the act of presence by an American vessel is in itself important—as well as any exercises or other activities it may be able to engage in, even if of a ceremonial and non-cumulative nature.

Following is a list of suggestions for possible engagement activities that correspond to Georgia's growing role as a key transit point for energy, as well as its needs for border-control and revenue collection:

- Oil spills response and prevention
- Coastal surveillance

- Counter-smuggling
- Coast Guard activities

Several considerations are worth bearing in mind in pursuing these and other engagement activities:

- Primary U.S. focus is the Georgian coast guard. Consult the U.S. Embassy before planning activities with the Georgian navy.
- Avoid anti-Russian overtones—a point made in interviews by the present U.S. Ambassador and his two predecessors. This applies both to the nature and scenario of activities, and to social settings which, given Georgian sociability and national pride, may become occasions for professing solidarity against the Russians.

Bear in mind

Limited Georgian (and donor) resources require a triaging of activities which, at present, means giving priority to the coast guard. But the prospect of closer links between the two services, including a possible merger as discussed in the preceding section, suggest keeping the Georgian navy in focus as we plan training and other activities. In this context, the U.S. Navy should consider joint training activities (seminar or classroom) in the fields of logistics and naval doctrine. This kind of education could benefit both coast guard and naval officers, no matter how the services are eventually organized. However, we do not recommend training for the Georgian navy in such areas as ship handling or underway operations at this time.

Endnotes

- ¹ U.S. Embassy Tbilisi, *Political Developments*, No. 1, January 31, 1999.
- ² Interview September 3, 1999, with the Honorable Kent N. Brown.
- ³ Two excellent sources on the various secessionist and autonomy movements are: Edward J. Walker, *No Peace, No War in the Caucasus: Secessionist Conflicts in Chechnya, Abkhazia, and Nagorno-Karabakh*, Harvard University (Kennedy School), 1998; and Jared Feinberg, *The Armed Forces in Georgia*, Center for Defense Information (CDI), Washington, D.C., 1999. On Javakhetia, see also Emil Danielyan, "Georgia's Armenian-populated Region in Limbo," *RFE/RL Newslines*, September 20, 1999. We have also benefited from discussions in August, 1999 with Ambassador Harry Gilmore, Chairman of the Caucasus Program at the Foreign Service Institute, Department of State.
- ⁴ On the role of Shamil Basayev as leader of Chechen forces in Abkhazia, see Thomas Goltz, "Georgia: Caught In The Big Squeeze," *The Los Angeles Times*, October 10, 1999.
- ⁵ Source: interviews, September 1999.
- ⁶ The region comprises the Akhalkalaki and Ninotsminda districts within the Samtskhe-Javakheti area and is referred to as Javakhetia for simplicity.
- ⁷ Interview with the Honorable Kenneth S. Yalowitz, September 22, 1999.
- ⁸ Department of State, *Background Notes: Georgia*, November 1998.
- ⁹ Economist Intelligence Unit (EIU) *Country Profile: Georgia*, 1997-98, p. 10.
- ¹⁰ Same, p. 11.
- ¹¹ *The Economist*, *Country Report: Georgia*, 1999, p. 6; CIA, *The World Factbook*, 1999: Georgia.
- ¹² *The Economist*, *Country Report: Georgia*, 1999, p. 8.
- ¹³ See Paul Goble, "Overcoming Corruption," *RFE/RL Newslines*, November 16, 1999.
- ¹⁴ See Radio Free Europe/Radio Liberty (RFE/RL) *Caucasus Report*, November 5, 1999; *Newslines*, November 8, 1999; and *Jamestown Monitor*, November 1, 1999.
- ¹⁵ Also the assessment of CIA, *The World Factbook 1999: Georgia*.
- ¹⁶ *The Economist*, *Country Report: Georgia*, 1999, p. 8.
- ¹⁷ U.S.A.I.D., *Congressional Presentation FY 2000: Georgia*.
- ¹⁸ Same.
- ¹⁹ *RFE/RL Caucasus Report*, October 18, 1999.
- ²⁰ *Jamestown Monitor*, August 31, 1999.
- ²¹ *RFE/RL Newslines*, November 9, 1999.
- ²² Same, December 15, 1999.
- ²³ Same, October 27, 1999.
- ²⁴ American Embassy Tbilisi, "Recent Political Developments in Georgia," No. 2, 1999.
- ²⁵ EIU, *Country Profile: Georgia*, 1999, p. 9.
- ²⁶ *Jamestown Monitor*, October 6, 1999.

²⁷ RFE/RL *Newsline*, October 27, 1999, quoting *The Financial Times*.

²⁸ Same, May 11, 1999, and September 15, 1999.

²⁹ DOD News Briefing – Joint Press Conference, August 1, 1999 with Secretary Cohen and President Shevardnadze.

³⁰ This discussion of irregular forces owes much to Jared Feinberg, *The Armed Forces in Georgia*, Center for Defense Information, Washington, D.C., 1999.

³¹ Kitovani was pardoned by Shevardnadze in May, 1999. On Ioseliani and Kitovani, see Feinberg, pp. 17, 29-33; and the *Jamestown Monitor*, May 26, 1999.

³² Feinberg, p. 27.

³³ RFE/RL *Newsline*, December 1, 1999.

³⁴ Department of Defense, Background Briefing, Secretary's trip to Asia, Ukraine and Georgia, July 21, 1999.

³⁵ Feinberg, pp. 23-24.

³⁶ Feinberg, pp. 23, 27.

³⁷ Information from CNA analyst Robert Odell, who was aboard the USCG vessel at the time.

³⁸ Feinberg, pp. 35-35.

³⁹ International Institute for Strategic Studies (IISS), *The Strategic Balance*, and *Periscope* service.

⁴⁰ IISS; Feinberg, pp. 36-37.

⁴¹ For articles on the November base accords see RFE/RL, *Caucasus Report*, November 25, 1999; and CDI, *The Weekly Defense Monitor*, December 9, 1999.

⁴² On the two peacekeeping forces, see Feinberg, pp. 43-47.

⁴³ Interview, August 1999.