

OCCASIONAL PAPERS

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MANAGING SEPARATIST STATES: A EURASIAN CASE STUDY

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SUMMARY

In addition to the fifteen states that emerged from the Soviet collapse in 1992, four other states exist and have declared independence, but are unrecognised. These are the Pridnestrovian Moldovan Republic (PMR) inside Moldovan borders, the Republic of South Ossetia and the Republic of Abkhazia within Georgian borders, and the Nagorno-Karabakh Republic in Azerbaijan. These separatist states are not found on any map of the former Soviet Union, and are completely isolated in international relations. They have been largely forgotten in studies of security in the former Soviet Union. Since 1992, cease-fires have been reached, but there has been no progress towards settlement.

This *Occasional Paper* examines the role played by the separatist states in blocking conflict settlement. The analysis focuses on the internal and external dynamics driving the continuing existence of the separatist areas.

The argument is divided into three sections. The first part examines the forces that drive the separatist states with a view to understanding why conflict settlement has been difficult. The discussion focuses on the political, military and economic logic that underpins the states at the internal and external levels. This logic has entrenched their existence for the last decade. The second part discusses the security impact of the separatist states on regional and international security. The impact has not only been negative, in terms of armed conflict and organised crime, but also positive. Finally, the paper explores ways out of the current volatile impasse. The analysis examines the approaches taken thus far by the international community, and proposes an alternative that may help to break the inertia of a decade of entrenched conflict. In seeking to balance the norm of territorial integrity with the right to self-determination, this alternative strategy may have relevance to other conflicts which present a similar problem of separatist states, such as in former Yugoslavia

What may be done to break the inertia of the status quo? Current reality must be the starting point for managing the separatist states. What matters most is 2002, less 1992. Any movement towards settlement will have to take into account the logic working behind the conflicts and these states. Settlement proposals will have to focus on the structures that have developed over the past decade. The paper discusses the strategies that have been adopted so far by the international community towards the separatist states. Until now, the inconsistency in international approaches has only served to entrench those states. A more coordinated strategy that seeks a median line between the extremes of recognition and elimination of the separatist states may help reverse the logic driving these states. The key objective should be to make the policies of the international community more consistent and more appropriate to the reality that has emerged on the ground. Without a coherent and realistic wider strategy, negotiations will continue to fail.

The wider strategy should address five policy lines: (1) a determined status for these areas while they remain de jure within the former central states; (2) a sequenced return path for refugees; (3) the importance of security and deterrence in the conflict zones; (4) multi-dimensional confidence-building measures; and (5) economic assistance for postwar reconstruction. All of these policy lines are already present in international approaches. However, they have been applied inconsistently by different organisations and states, and unevenly across the region. The lack of coordination has only entrenched the status quo. A coordinated

international policy will produce more than simply synergy of effort. It may help to break the inertia of the current status quo, and initiate a new logic on the ground.

It is imperative that Europe and the international community undertake a proactive search to manage the separatist states. A stable, if perverse, logic has emerged which means that things do not necessarily have to change. The separatist states and Moldova, Georgia and Azerbaijan can survive in current conditions. Without significant changes, they will remain a feature of the post-Soviet space in 2012. In this case, however, far from becoming a strategic asset on Europe's periphery, the former Soviet Union may be confirmed as a zone of strategic threat, radiating instability externally and collapsing internally.

INTRODUCTION

The map of the former Soviet Union provides the onlooker with a sense of satisfaction and completion. Fifteen new states emerged from the Soviet collapse.¹ All of the territory has been divided up. Formal jurisdiction has been claimed across all of the post-Soviet space. At least, so it seems.

In addition to the fifteen successor states that emerged in 1992, four other states exist that are unrecognised. These states have declared independence: the Pridnestrovyan Moldovan Republic (PMR) inside Moldovan borders, the Republic of South Ossetia and the Republic of Abkhazia within Georgian borders, and the Nagorno-Karabakh Republic in Azerbaijan. These separatist states are not found on any map of the former Soviet Union. They are completely isolated in international relations, and they all face deep internal problems and existential external threats. If ever they are discussed, the separatist areas are dismissed as criminal strips of no-man's land, or as the 'puppets' of external states. Much analysis has been devoted to individual cases of conflict in the former Soviet Union. However, there has been no comparative study of the separatist states.² A critical gap has emerged in our understanding of security developments in the former Soviet Union.

Without a clear understanding of these separatist states, attempts to resolve the conflicts in Moldova, Georgia and Azerbaijan have been reactive and ineffective. Cease-fire agreements have been reached in all of the separatist areas. Internationally-led negotiations have been under way since the early 1990s. In Moldova and Georgia, Russian/Commonwealth of Independent States (CIS) peacekeeping forces have been deployed to maintain a buffer zone between the conflicting parties. The United Nations (UN) and the Organisation for Security and Cooperation in Europe (OSCE) are deeply involved in mediating in these conflicts, as well as monitoring the activities of the CIS forces. However, since 1992, there has been no progress towards conflict settlement. In the last decade, four *de facto* states have emerged.³ The *de facto* states are the main reason for the absence of progress towards settlement. It is vital that the international community understand them more clearly.

Do the *de facto* states matter for European security? To put it bluntly, if active combat has stopped in these conflicts – as it has – why should Europe care?

At the most fundamental level, the fact that these conflicts have not been resolved does not pose a direct threat to European security. However, Europe may no longer have the luxury of considering only direct threats. The existence of unresolved conflicts in the European and Caucasian regions of the former Soviet Union cannot be ignored. There are strategic interests for Europe in these areas. Moldova, squeezed between Romania and Ukraine, represents the outer rim of the Balkan area and an eastern gateway for Europe. Georgia is a strategically important transit country for the passage of goods and energy from the Caspian Basin region and Central Asia. Azerbaijan has become the focus of billions of dollars of investment by European and US oil companies, seeking to exploit the vast potential of this country's

¹ Alan James, 'Sovereignty – A Ground Rule or Gibberish?' *Review of International Studies*, vol. 84, no. 10, p. 16.

² One exception is Edward Walker, 'No Peace, No War in the Caucasus: Secessionist Conflicts in Chechnya, Abkhazia and Nagorno-Karabakh' (CSIA, Occasional Paper, SDI: Harvard University, February 1998).

³ On the notion of a *de facto* state, see Scott Pegg, *International Society and the De Facto State* (Aldershot: Ashgate, 1998). Pegg examines Eritrea, northern Cyprus, and Taiwan.

reserves in oil and gas. For strategic reasons, the post-Soviet conflicts cannot be ignored by Europe.

Moreover, the separatist states impact on the security of the metropolitan states from which they have seceded, and on wider regional developments.⁴ Close to two million people have been displaced by these wars, which has placed serious strain on the new states of Georgia, Armenia and especially Azerbaijan. The economies of Moldova, Georgia, Azerbaijan and Armenia have all been deeply affected by the existence within their legal borders of unrecognised states. The self-declared states have represented opportunities for external powers to intervene in the region. Russia has used its peacekeeping operations in Moldova and Georgia as means to retain influence over those two states.⁵ Most importantly, the use of force, including on a large scale, has remained an option in all of these conflicts, as shown by the renewed conflict in Chechnya. The de facto states exacerbate transnational crime emanating in and around the post-Soviet space. The legal limbo in which they exist has made them welcoming source points and transit zones for international criminal activities.

If the de facto states do matter for European security, the next questions are: what approach should be taken to move these conflicts towards some kind of settlement? More specifically, what sort of end state is realistic in these conflicts?

The de facto states of PMR in Moldova, South Ossetia and Abkhazia in Georgia and Nagorno-Karabakh in Azerbaijan have existed for close to a decade. While limited in the grand sweep of history, ten years is not entirely negligible. These conflicts are often called 'frozen', as little progress has occurred towards their resolution in the last ten years. On the whole, this is a misleading image. The image of a dynamo is a more fitting way of understanding why there has been no conflict resolution. The dynamic logic sustaining the separatist states has both external and internal dimensions. Much has happened in these areas over the course of the last ten years. Any movement towards settlement must take into account the logic working behind these conflicts. Settlement proposals must address the realities of 2002 rather than 1992. Settlement will have to focus on the structures that have developed over the past decade, and much less on the original sources of the conflicts.

The end state to these conflicts, therefore, will have to be based on the realities that have emerged in the course of the 1990s. The use of armed force is one solution for dealing with the de facto states. The force being employed by the Russian Federation to exterminate the separatist region of Chechnya (Republic of Ichkeria) in the north Caucasus has been condemned by Europe and the international community. Without the forceful solution, a range of other options exist by which to move these conflicts towards settlement – all of which accept the continuing existence of the de facto states. Europe and the international community do not need to recognise the separatist states. There are very good reasons for avoiding such a step. However, a median line must be drawn between the extremes of recognition and extermination of these separatist states. They have existed for ten years; they may exist for ten more.

It is imperative that the international community undertake a proactive search for end states. The current status quo is durable. A stable, if perverse, logic has emerged which means that things do not necessarily have to change. The de facto states of PMR, Abkhazia, South

⁴ The term 'metropolitan state' refers to the states whose integrity has been challenged by the de facto states (Russia, Moldova, Georgia, and Azerbaijan).

⁵ See the author's, *Russian Peacekeeping Strategies towards the CIS: The Cases of Moldova, Georgia and Tajikistan* (London: RIIA and Macmillan, 2000).

Ossetia and Nagorno-Karabakh, and the metropolitan states of Moldova, Georgia and Azerbaijan can survive in the current climate.⁶ However, none of these states will prosper without conflict settlement. And the post-Soviet area will remain an unstable European rim, emanating instability externally, while collapsing internally.

This *Occasional Paper* will examine the role played by the de facto states in blocking conflict settlement. The analysis will focus on the internal and external dynamics driving the continuing existence of the separatist areas. The argument is divided into four sections. The first part will define the de facto state. The second part will examine the forces that have driven the de facto states, with a view to understanding why conflict settlement has been difficult. The discussion will focus on the political, military and economic logic that underpins them at the internal and external levels. The third part will examine the security impact of the de facto states on the metropolitan states and regional developments. This impact has not only been negative, in terms of armed conflict and organised crime, but also positive. Finally, the paper will explore ways out of the current volatile impasse. The analysis will examine the approaches taken thus far by the international community, and propose an alternative that may help to break the inertia of a decade of entrenched conflict.⁷ In seeking to balance the norm of territorial integrity with the right to self-determination, this alternative has relevance to other conflicts which present a similar dichotomy of separatist/metropolitan states, such as in former Yugoslavia.

⁶ This Paper takes no position in the conflicts, and it will employ the self-declared names and titles from the de facto states, such as the President of the PMR, as well as such topographical usage as Sukhum and not the Georgian Sukhumi. This is done without prejudice to the positions of the parties and is not meant to reflect any particular tendency from the author.

⁷ The research for this paper is based on several months of travel and interviews on the ground in the conflicts zones in 2000. The focus was on the PMR in Moldova, Abkhazia in Georgia and Nagorno-Karabakh in Azerbaijan. The Paper will not consider the case of the de facto state in Chechnya/Republic of Ichkeria, now barely existent and in an active state of war with its metropolitan state. Parts of the research for this paper were presented to the annual conference of the Association for the Study of Nationalities (ASN) at Columbia University, 6 April 2001, and a short article was published in *The World Today*, August 2001.

CHAPTER ONE: DEFINING THE DE FACTO STATE

In a first theoretical examination of de facto states, Scott Pegg defined them as follows:

‘A de facto state exists where there is an organised political leadership, which has risen to power through some degree of indigenous capacity; receives popular support; and has achieved sufficient capacity to provide governmental services to a given population in a specific territorial area, over which effective control is maintained for a significant period of time. The de facto state views itself as capable of entering into relations with other states and it seeks full constitutional independence and widespread international recognition as a sovereign state.’⁸

In order to understand the de facto state, several points must be made. First, Pegg’s definition is based on a distinction between empirical and judicial notions of statehood. The de facto state is not recognised by other states or the international community. As a result, it has no judicial status in the international arena. The de facto state has no judicial right to claim a certain territory, as this land already is part of a recognised state.

However, it may have an empirically-defined claim to statehood. The classical definition of an entity that may be regarded as a sovereign state was set forth in the Montevideo Convention on Rights and Duties of States, 1933. The Montevideo criteria are that an entity have: (1) a permanent population; (2) a defined territory; (3) a government; and (4) the capacity to enter into relations with other states. The post-Soviet de facto states fulfil the first three of these criteria, and claim to be able to pursue the fourth. However, the empirical qualifications of the de facto state cannot make it legal or legitimate in international society. As Pegg argued, it is ‘illegitimate no matter how effective it is’.⁹

Second, it is necessary to distinguish between internal and external sovereignty. Internal sovereignty refers to the supreme authority of a body within a given territory.¹⁰ External sovereignty, on the other hand, may be defined as ‘being constitutionally apart, of not being contained, however loosely, within a wider constitutional scheme.’¹¹ The de facto state claims both of these; that is, to be sovereign over its self-defined territory and people, and to be constitutionally independent of any other state. The key difference for the de facto state resides in its non-recognition. This status prevents it from enjoying membership of the exclusive and all-encompassing club of states – the de facto state does not have recognised external sovereignty.

⁸ Scott Pegg, *International Society and the De Facto State* (Aldershot: Ashgate, 1998), p. 26.

⁹ *Ibid.*, p. 5.

¹⁰ Gunnar Agathon Stolsvik, *The Status of the Hutt River Province (Western Australia), A Case Study in International Law* (Det juridiske fakultet, Universitet I Bergen, 2000), p. 29.

¹¹ Alan James, *Review of International Studies*, vol. 84, no. 10, op. cit., p. 11.

CHAPTER TWO: DYNAMIC LOGIC DRIVING THE SEPARATIST STATES

There are two pieces of conventional wisdom about these conflicts that require rethinking. First, most discussions focus on external factors as key obstacles to conflict settlement. On the ground, the parties themselves are the first to blame external forces for everything – from creating the conflict in the first place to holding off its resolution. Vasily Sturza, the Moldovan Presidential Envoy to the negotiations with the PMR, made the point bluntly in July 2000: ‘The resolution of the conflict depends exclusively on the Russian Federation.’¹² Russian forces did play a key role in the initial phases of these conflicts, and ambiguity in Russian policy since has done nothing to help resolve them. External factors have been, and continue to be, critically important in inhibiting conflict settlement.

However, the balance of analysis needs to be redressed. This paper will concentrate first on the internal forces that inhibit conflict settlement. Internal political, ideological, military and economic dimensions are more essential obstacles to settlement. Internal drivers weave together with external forces to create a sustained status quo.

The second piece of conventional wisdom concerns the oft-repeated view that these are frozen conflicts. They are not frozen. On the contrary, events have developed extremely dynamically in the separatist states. The situation on the ground in the early 2000s is very different from the context that gave rise to these conflicts in the late 1980s. A new reality has emerged. A clear understanding of the current situation, and the logic sustaining it, is fundamental for thinking about ways to move beyond the current impasse.

II.1 Internal drivers

There are three internal factors driving the continuing existence of these de facto states.

Absolute sovereignty

The first factor resides in the insistence by the de facto states on absolute sovereignty. The amalgam of territory, population and government in these areas has produced something that is greater than the sum of these parts – a deeply-felt belief in sovereignty. Vladimir Bodnar, the Chair of the Security Committee of the Parliament of PMR, stated that: ‘We are an island surrounded by states!’¹³ He continued, ‘What defines a state? First, institutions. Second, a territory. Third, a population. Fourth, an economy and a financial system. We have all of these!’ The de facto states draw on two legal sources of legitimacy to justify their claim to statehood and two historical/moral sources.

First, these authorities explicitly adhere to an empirical definition of sovereignty on the lines of the 1933 Montevideo Convention. All of the de facto states have a system of organised political leadership, which has received popular support, provides basic governmental services to a given population over a specific territory, over which effective control is

¹² Interview with the author, Chisinau, Moldova, 13 July 2000.

¹³ Interview with the author, Tiraspol, PMR, 11 July 2000.

maintained for a significant period of time. There are a number of similarities between them. They all maintain presidential systems and have very poorly developed party structures. In all of them, while there may be significant political differences, politics is far from pluralistic. Politics has become highly personalised, and the mechanics of the decision-making process are opaque and highly controlled. In the PMR, the Ministry of Security has a strong presence in the media and in politics to undermine any opposition to President Igor Smirnov. In all of them, parliamentary and presidential elections have occurred since 1991. The degree of popular support for their leaders and policies is difficult to assess in all of them because elections have been controlled. In the last Abkhaz presidential elections, a single candidate ran – Vladislav Ardimba, the incumbent. He won an overwhelming majority.

They also show significant variation. At an extreme, the Abkhaz government maintains the daily running of legislative, executive and judicial institutions, but performs very few governmental services for its population. The UN and international non-governmental organisations, such as Accion Contra la Hambre, ICRC, and Médecins sans Frontières, have become the pillars of social security in Abkhazia. Moreover, the Abkhaz state is unable to provide for law and order across its territory. The border area of Gali is riddled with crime and armed gangs. Further inside the separatist state, the situation is not far from lawless. The war between Abkhazia and Georgia in 1992-94 occurred solely on Abkhaz territory, and it left the area devastated, its infrastructure destroyed, and a population marked by a vicious war of looting and plunder.

The PMR and Nagorno-Karabakh, on the other hand, are much stronger states. In both of them, a sense of state presence is palpable: the streets are lit at night, most of the buildings in the capital town have been rebuilt in the case of Nagorno-Karabakh, and there is no feeling of lawlessness. The PMR and Karabakh have not been spared the difficulties of transition experienced by all of the newly independent states after the Soviet collapse. This has been reflected in a collapse of industrial production, widespread hidden unemployment, and the deep impoverishment of the population. However, the PMR and Karabakh do not compare all that badly with other recognised states in the region.

The populations of the separatist states also show variation. All of them have experienced depopulation since the end of the wars. In Abkhazia, the ethnic Abkhaz represented before the war only 17.8% of the population of the Abkhaz autonomous region, while the great majority were ethnic Georgians. As a result of the fighting, some 250,000 Georgians have been displaced from their homes, and now live in temporary accommodation throughout Georgia. The estimates of the current Abkhaz population range from about 80,000 to 145,000, the reality being closer to the first. Whatever may be the exact figure, the fact remains that Abkhazia is largely depopulated. It is also clear that the ethnic Abkhaz population is not a majority *even* with the Georgians expelled, as there remain substantial Armenian and Russian populations. The size of the population of Nagorno-Karabakh is also unclear, but estimates place it at 60-80,000. Demography is less of a problem in the PMR where the population stands at around 650,000, representing a notable, but hardly dangerous, drop from 1992 levels.

Finally, the degree of state control over territory is also variable. Abkhazia maintains very weak control over its territory. The government has no control over Gali district and the Kodor valley, and it does not have a monopoly on the use of force inside the country. The PMR and Nagorno-Karabakh are much stronger in this respect, with clear armed force structures, police agencies, border troops and customs representatives. Despite variations in

strength, the separatist governments all insist that their empirical structures are robust enough to be considered sufficient for declaring state sovereignty.

The second source of legitimacy claimed by the de facto states draws on the right of self-determination. On 25 July 2000, Sokrat Jinjolia, the Chairman of the Abkhaz Parliament stated: 'We are independent. We have passed an act of independence. Non-recognition does not matter.'¹⁴ All of the de facto states have cloaked their claims to independence on the basis of popular election/referendums and legislative acts to this effect. In addition, the authorities claim legitimacy because of the way that the independence of the metropolitan state was declared. The Moldovan parliament resolutions on the illegality of the Molotov-Ribbentrop Pact in the summer of 1990 have been seized upon by the separatist authorities in Tiraspol. In its view, this decision meant that the Moldovan Soviet Socialist Republic that emerged from the Second World War was illegal. The point is technical but relevant. Before the Second World War, the left bank of the Dnestr river was an autonomous republic inside Ukraine. On this basis, in September 1990, the Supreme Soviet of the Dnestr region considered it justified to pass a declaration of sovereignty and independence. In addition, referendums were organised throughout the left bank, and in the town of Bendery on the right bank, to provide popular legitimacy to the Supreme Soviet's declaration. The de facto states also have approved new constitutions which enshrine legally what are seen as popular/democratic resolutions on independence. Popular will is held up as a key pillar of legitimacy to these states' claim to independence.

Third, in their view, the current states represent but the latest phase in a long historical tradition of statehood. The Abkhaz Foreign Minister, Sergei Shamba, placed great stress on this: 'Abkhazia has a thousand-year history of statehood since the formation in the 8th century of the Kingdom of Abkhazia. Even within the framework of empires, Abkhazia kept this history of stateness. No matter the form, Abkhaz statehood remained intact.'¹⁵ Sovereignty here is seen as an idea that does not need necessarily an institutional form. In these states, history is a usable resource in the struggle to justify the present and lay traces for the future. The Abkhaz state claims a primordial past and a cement-like historical foundation, with blind disregard for the ambiguity of the evidence actually available. The 'primordialist' rhetoric of the de facto states strengthens their claims to absolute sovereignty: any compromise of their independence would be seen as an injustice in the present circumstances, and a violation of the very trends of history.

Finally, as stated by the Abkhaz Foreign Minister Sergei Shamba, 'We have a right to self-determination because of the Georgian acts of genocide and aggression conducted against Abkhazia.'¹⁶ Similarly, Grigory Maracutsa argued that: 'Pridnestrovye (PMR) is a sovereign and independent state because the Republic of Moldova attempted to resolve the conflict through the use of force. Seven hundred were killed and three thousand wounded from this act of aggression.'¹⁷ All of the separatist authorities insist on an inherent moral entitlement to self-determination when faced with 'alien' and 'imposed' rule.

The insistence on absolute sovereignty by the de facto states has two implications. First, it means that conflict settlement may not be reached through federal power-sharing arrangements. It is often assumed in Chisinau, Tbilisi and Baku, as well as European capitals, that the

¹⁴ Interview with the author, Sukhum, Abkhazia, 25 July 2000.

¹⁵ Interview with the author, Sukhum, Abkhazia, 20 July 2000.

¹⁶ Interview with the author, Sukhum, Abkhazia, 20 July 2000.

¹⁷ Interview with the author, Tiraspol, PMR, 14 July 2000.

'statehood' of these entities is a resource that they will be willing to bargain away once the circumstances are propitious. Many peace proposals put forward over the last decade have been based on notions of federal power-sharing between the metropolitan and de facto state. The assumption underlying many of these proposals is that sovereignty is the maximal, and thus negotiable, aim of these breakaway areas, and that their minimal and non-negotiable objective resides at some lower form of autonomy. In fact, sovereignty is non-negotiable for the de facto states. They may be willing to negotiate a new relationship with the metropolitan states, but not one based on a federation. The exact appellation of the new state that will emerge from this new relationship is also negotiable. But at the most, the self-declared states will accept confederal ties with the metropolitan state.

A confederation has elements of power-sharing, but these do not infringe on the internal sovereignty of its constituent subjects. All of the de facto states insist on developing voluntary and equal ties with their former rulers. In their view, cooperation could be deep in certain areas, such as trade, customs and communications, but it would not infringe on their basic sovereignty, whose destiny will remain integral. In the negotiations in all of these conflicts, the separatist areas have supported the proposals put forward for 'common statehood' with the metropolitan state, which draw on confederal elements. Moldova and the PMR reached an agreement in 1997 to create a 'common state' within the borders of Moldova as of a December 1990. In the view of the PMR, the 'common state' would take the form of a voluntary union of two equal states under a shared framework.

Moldova, Georgia and Azerbaijan have rejected confederal proposals as threats to their own sovereignty. A confederation-type structure might even enshrine the right of its constituent parts to withdraw from the 'common state.' These governments fear that the separatist authorities would secede legally as soon as could be justified. Moreover, the metropolitan capitals are reluctant to abandon one of their strongest weapons with regard to their separatist regions: that is, withholding formal recognition. Without metropolitan recognition, the international community will not recognise these areas as states. This relegates the self-declared states to continued pariah status in international relations. It also ensures that the metropolitan state may consider using all means at its disposal, including force, to restore its territorial integrity at some point in the future.

The second effect stemming from the insistence on absolute sovereignty concerns internally displaced persons (IDPs) and refugees in the conflicts in Abkhazia and Nagorno-Karabakh. Internal sovereignty means that these de facto states will not welcome back the IDPs who fled during the wars. Demography resides at the heart of the conflicts. Before the war, the Georgian population represented the overwhelming majority of inhabitants in the Abkhaz region. At the last census of 1989, the Abkhaz represented 17.8% of the population of Abkhazia (the total was 525,000) with 95,840 registered, while the Georgians consisted of 230,523. The Georgian population lived in compact majority in the Gali District, while the Abkhaz held a majority in Gudauta. The other regions and towns had intermingled populations. In the capital, for example, the Georgian population stood at 42%, Russians at 22% and Abkhaz at 13%.

The Georgian population in Abkhazia did not flee their homes as an indirect consequence of the war of 1992-94. This population was a direct target of the war. The Abkhaz authorities feared the extinction of Abkhaz culture, language and eventually the Abkhaz people, as had occurred with other small peoples in the Caucasus. Abkhaz self-determination has been founded on the absence of the Georgian population from the historically-claimed Abkhaz

land. 'Citizenship' of the self-declared Abkhaz state cannot be allowed to include the displaced Georgian population, as this would leave the Abkhaz once again a small minority in their own region. The tight link between ethnicity and land in these conflicts makes the return of refugees and IDPs difficult to consider for the de facto state. For practical reasons and under pressure from the international community, the Abkhaz government has allowed tens of thousands of Georgians to return to the Gali district. This Georgian population has become a source of 'taxation' for Abkhaz forces. However, the Abkhaz government cannot formally recognise this return, or register this population for voting in Abkhaz elections, for fear of becoming a minority once again.

The case of Nagorno-Karabakh is different. Over 80% of the 600,000 Azerbaijani IDPs lived in the seven districts of Azerbaijani territory that are occupied by Karabakh forces but are not inside Nagorno-Karabakh itself. These lands were occupied in 1993-94 to provide a security buffer for the self-declared state, and as bargaining chips in the peace process. The separatist state could countenance the return of Azerbaijani IDPs to at least six of these districts (not Lachin, which is the main link to Armenia). However, the repatriation of the Azerbaijani population to towns and areas inside Karabakh itself, such as the town of Shusha that towers above Stepanakert, is considered impossible.

Fear: source and resource

Insecurity represents another internal force driving these states. Behind all the rhetoric of sovereignty, self-determination and justice, there are calculations of power that have led the separatist authorities to seek security based on force alone.

Fear was the factor that gave rise to the conflicts at the outset. Moldova and the PMR did not fight a war, but a series of small clashes with close to a thousand casualties. Despite its limited scale, the conflict was seized upon by the PMR as justification for independence. The new Moldova, as it was then emerging, seemed to be a 'Romanianising' state, in which the more Slavic and Russophone élites on the left bank would be sidelined. The clashes confirmed the threat posed by the new authorities in Chisinau to the political and economic power held by the left-bank élites. In 1991, the first Georgian President, Zviad Gamsakhurdia, unilaterally abolished South Ossetia's status of autonomy in Georgia, and armed clashes spread throughout the region. In August 1992, Georgian guardsmen seized the Abkhaz regional capital of Sukhum by force. In the eyes of the tiny Abkhaz and the Ossetian minorities, the new Georgian state seemed bent on asserting by force its power over all of Georgia. For the Abkhaz, their very existence as a people and culture seemed to be at stake. Similarly, in Nagorno-Karabakh, the Armenian population lived in a vulnerable enclave embedded in Azerbaijan, surrounded by potential enemies bent on forcing them to flee from their homes.

Insecurity has remained a condition of life since the end of the wars. The cease-fires reached in Moldova (1992), Georgia (South Ossetia in 1992 and Abkhazia in 1994) and Azerbaijan (1994) have frozen victories they reached on the battlefield. Historically, these peoples have rarely, if ever, won wars. Victory has left the de facto states bewildered.

On the one hand, victory is a source of strength. Natella Akaba, leader of the Centre for Human Rights and Support for Democracy in Abkhazia, argued that the Abkhaz victory was 'a fundamental basis of legitimacy' for the self-declared state.¹⁸ With histories of constant

¹⁸ Interview with the author, Sukhum, 28 July 2000.

defeat, the victories of the early 1990s have become sacred objects that may not be questioned. Naira Melkounian, the Nagorno-Karabakh Foreign Minister, stated: 'After a history of tragedy, we have won a war at last!'¹⁹ The authorities are determined at all cost to retain the fruits of victory.

At the same time, the separatist authorities profoundly distrust victory. They are all aware that they have won a battle and *not* the war. The example of renewed conflict in Chechnya has been edifying. The Speaker of the Abkhaz parliament, Sokrat Jinjolian, was blunt: 'The resumption of war [with Georgia] is a real possibility.'²⁰ The distrust of victory has led them to elevate self-defence over all other policy areas. None of the de facto states are military states. However, all of them are devoted to the military.

Since the cease-fires, these states have moved to create genuine military structures to ensure security through deterrence of any further encroachment by the metropolitan state. The Abkhaz armed forces stand at around 2,000 strong, with a mobilisation capacity of perhaps four times this amount, and they are equipped with very small numbers of battle tanks, APCs, artillery and a few converted naval vessels. South Ossetia maintains one motor-rifle battalion at a total of 1,500 troops. The PMR has armed forces totalling about 5,000, with various other security forces, interior troops and customs/border forces, as well as a Cossack battalion. Nagorno-Karabakh is very different, as its armed forces are integrated into Armenian military structures and number around 15,000 troops with a substantial equipment and weapons base. They represent the most powerful forces of the South Caucasus.

Fear and insecurity are also instruments wielded by the separatist authorities in their state-building projects. These projects are as weak as these states are themselves, in terms of their ability to allocate resources to educational, information and other campaigns. Since the early 1990s, the metropolitan states have started to move away from exclusive and antagonistic state-building projects and more moderate politicians have led the movement towards state consolidation. By contrast, in the de facto states there has been very little shift away from the type of political discourse that was prevalent in the early 1990s. Public rhetoric has remained largely defined by dichotomies of 'us/them'. The 'other' – the former central authorities – is used to justify the very existence of the de facto state. The existential challenge posed by the former central power, whether accurate or not, is a powerful glue binding the residual populations together into some kind of cohesive whole. The discourse of insecurity makes reconciliation and notions of power-sharing very difficult to accept, as it has 'primordialised' and totalised the conflicts. Potential compromise has become all the more difficult to justify.²¹

Two conclusions flow from the condition and exploitation of insecurity. First, de facto states are racketeer states. As defined by Charles Tilly in his discussion of state-making, 'some-one who produces the danger and, at a price the shield against it, is a racketeer.'²² This is not to say that the metropolitan states do not pose a real threat. However, the emphasis placed on the metropolitan threat goes beyond a rational assessment of needs. The PMR is a case in point. Any objective assessment of the threat posed by Moldova to the PMR would conclude that it

¹⁹ Interview with the author, Stepanakert, NKR, 24 August 2000.

²⁰ Interview with the author, Sukhum, Abkhazia, 25 July 2000.

²¹ On these notions, see Graham Smith, V. Law, A. Bohr and E. Allworth, *Nation-building in the Post-Soviet Borderlands, the Politics of National Identities* (Cambridge: Cambridge University Press, 1998), pp. 13-19.

²² From 'War-making and State-Making as Organized Crime,' in Peter Evans, D. Rueschemeyer and T. Skocpol (eds.), *Bringing the State Back In* (New York: Cambridge University Press, 1985), cited in an interesting article by Hugh Griffiths, 'A political Economy of Ethnic Conflict: Ethno-Nationalism and Organized Crime,' *Civil Wars*, vol. 2, no. 2, Summer 1999, pp. 56-73.

is almost nil – both in terms of capabilities and intentions. However, the PMR Minister of Security, led by the former Soviet special forces officer wanted by Interpol for crimes committed in the Baltic states (Vladimir Antiufeev – an alias), runs a number of social organisations and newspapers that inflate the nature of the Moldovan threat. The Ministry of Security conflates an imaginary Moldovan threat with the so-called aggressive Western alliance and the revanchist fascist regime in Romania. The extensive role played by the Security Ministry in all aspects of political and economic life in the PMR is thus justified. This logic affects more than the Ministry of Security. The PMR itself depends on the threat posed by Moldova and the West, against which the self-declared state proposes to defend the population on the left bank of the Dnestr River. An existential threat, which does not exist, has become a fundamental pillar justifying the existence of the de facto state – this is racketeering.

The racketeering dimension also affects civil-military relations. In Nagorno-Karabakh, the racketeering tendency made the former Defence Minister, Samvel Babayan, the most powerful economic and political actor until March 2000, when he was arrested for the attempted assassination of the Nagorno-Karabakh president. The president and government have sought since to reduce the weight of the military. In an interview in August 2000, Prime Minister A. Danielyan stated: ‘The armed forces should not be distinct or separated from the government, and not a force of its own.’

The existence of an external threat, and its instrumental use in domestic politics, has distorted civil-military relations in the self-declared states. At the least, in Abkhazia and the PMR, the military and security agencies dominate security policy-making. At the most, in Nagorno-Karabakh, the military dominates politics. The inflated role of the military represents an obstacle to conflict settlement, as the logic of military dominance has become deeply entrenched.

The second conclusion is that these self-declared states have no faith in the rule of law to guarantee their security. Military power is seen as the only means by which to deter the metropolitan state from seeking to resolve the conflicts by force. The distrust of law is a legacy of the Soviet Union where politics were founded on the rule *by* law and not *of* law. In addition, in the early 1990s, the separatist regions experienced how new laws enacted in the metropolitan capitals (constitutions, declarations, resolutions, etc.) were used as weapons against them. As noted by Svante Cornell, ‘there is no confidence [in these separatist areas] in the implementation of the basic principle of international law, *Pacta sunt servanda* [agreements should be binding].’²³

This distrust has implications for any agreed future relationship between the de facto and metropolitan state. It is difficult to imagine that the self-declared authorities will agree to federation-type relations, where, by definition, ties between federal subjects and the federal centre are based on the transformation of fundamental political questions into legal questions.²⁴ Any settlement of these conflicts must consider at its heart the requirements of hard deterrence and security in order for the de facto state to be willing to compromise on the victories they have already achieved on the battlefields.

²³ Svante E. Cornell, *Small Nations and Great Powers, A Study of Ethnopolitical Conflict in the Caucasus* (Richmond: Curzon Press, 2001), p. 47.

²⁴ This point emerged from a discussion between the author and Bruno Coppietiers in November 2000.

Subsistence syndromes

These de facto states are failing states. They may have the institutional fixtures of statehood, but they are not able to provide for its substance. The wars of the early 1990s devastated their economies. Since the cease-fires, little progress has occurred in any of these states towards economic reform. The enduring threat of war has combined with economic mismanagement to produce hyper-inflation, demonetised economies, the collapse of the social services, and the extensive criminalisation of economic activities. These problems have been exacerbated by the legal limbo in which all of these de facto states exist as non-recognised strips of no-man's land.

In Abkhazia and Nagorno-Karabakh, economic blockades are key tools wielded by the metropolitan state. Abkhazia has lived under a CIS-wide sanctions regime since January 1996. Azerbaijan and Turkey imposed economic blockades on Nagorno-Karabakh and Armenia early in the war. Azerbaijan and Georgia use the economic tool as a means of coercion against their separatist areas with three aims: first, to compel them to compromise in the negotiations; second, to ensure that the de facto state does not prosper while the negotiations are under way; and third, to convince their own public opinion and opposition that it is doing something. The economic tool has also been raised as a potentially positive tool by the international community to attract the de facto states to compromise through the promise of eventual assistance for reconstruction and reform.

On both accounts, the economic tool plays a far less important role than is assumed by the metropolitan state and the international community. The positive attraction of potential international assistance is diminished by the fact that these de facto states are driven first and foremost by political and *not* economic imperatives. The Nagorno-Karabakh Prime Minister admitted to me that the main problem he faced was the need to rebuild the economy: 'But independence is more important than the economy, and this will not be exchanged for anything. Freedom stands above all other questions.'²⁵ The severe economic difficulties that are common to all of these states have not compelled them to compromise. On the contrary, economic isolation has only strengthened subsistence syndromes in which the authorities are determined to survive at all costs, and have developed structures which are appropriate for this purpose. The syndromes, which are based on a combination of firm political determination, deep economic weakness and extensive criminalisation, are a key part of the internal logic sustaining the de facto states.

All of these states have dwindling and ageing populations. The populations put up with desperate conditions for three reasons. First, many cannot leave and thus have no choice. Second, the economies of the states from which they separated are almost as bad as theirs. What is more, the population and authorities in the separatist states *perceive* the economic situation to be worse off in the metropolitan state. In economic terms, there would appear to be little incentive for them to reintegrate with their former ruler. Finally, and most crucially, the security imperative is seen as far more important than the economic by the separatist authorities. The residual populations in all of these de facto states are deeply impoverished. However, it is no accident that the separatist states are not near the Arctic Circle – their sunny and favourable climates, and beneficial geographical position with access to the Black Sea and important rivers, and fertile lands, have been key to their continuing survival, allowing people to retreat into difficult, but sustainable, subsistence strategies.

²⁵ Interview with the author, Stepanakert, NKR, 15 August 2000.

Despite the support of Yerevan and extensive Armenian Diaspora assistance, Nagorno-Karabakh suffers from agricultural and industrial collapse. Small-scale workshops have been built, but these represent hardly enough to employ the working population. Before the war, the economy of the Abkhaz region was dependent on tourism and the export of sub-tropical produce, such as tea, tobacco, and citrus fruits. Since then, in the words of the Economics Minister, 'all of the main bases of the economy: we have lost!'²⁶ Georgian forces occupied much of Abkhaz territory for over a year, and marauding and looting was extensive. Since 1996, the CIS blockade has deprived Abkhazia of its main sources of revenue. On the whole, the region has retreated to subsistence farming and dependency on international non-governmental support. The PMR state survives from the revenue gained from one or two industrial plants that have been modernised and still work. The Moldova Steel Works in Rybnitsa, which employs close to four thousand workers, provides the lion's share of the de facto state's budget (about 40-50% of revenue). The great majority of the population live in deep poverty, with an average income of one US dollar a day.

Inside the de facto states, political stability is founded on corrupt corporatism. The authorities neutralise potential internal threats by co-opting them. Shadowy figures often play government-supported monopolistic roles in their economies. In the PMR, the financial-industrial group Sheriff is owned by a former member of the police who runs important sectors of the separatist economy, including several cable television stations, the only telephone communications company in the region, the weekly newspaper *Delo*, a Western-standard supermarket chain, and a series of petrol stations throughout the de facto state. The Sheriff group has interests in all profitable services in the breakaway state, which it itself played a key role in developing in the first place. In exchange, the Sheriff group performs important social functions for the state, including the construction of a new cathedral called 'Christ's Rebirth' and a religious school in Tiraspol. Other key segments of the PMR population, such as Cossacks, have also been given special privileges, such as tax cuts and protected legal status. The mingling of crime and state structures is dramatic in the PMR, where a ruthless form of state/private capitalism has been created in a state where statues of Lenin remain standing in the streets.²⁷

The armed forces are always very well protected in the separatist states. In Nagorno-Karabakh, the military became the most prominent political/economic actor under the former Defence Minister Samvel Babayan. Babayan was able to benefit from his position to secure a monopoly over the cigarette and petrol trade in the republic, and he also operated the Jupiter company in his wife's name. In Abkhazia, trade in timber and sales of protected hard wood are run through the state-owned AbkhazLes, which is tied to the family of President Vladislav Ardzinba. Private Turkish ships frequently run the CIS blockade to buy Abkhaz timber at the Sukhum port.

Moreover, many groups inside and outside the de facto states profit from the status quo. Crime and illegal economic activities have come to reside at the heart of these conflicts. These activities include large-scale cigarette and alcohol smuggling from the PMR to Moldova to avoid the payment of sales taxes. For Moldova, such smuggling has become a 'major, major problem,' with millions of dollars lost in state revenue.²⁸ According to a member of the Moldovan Expert Group for negotiations with the PMR, 'the entire eastern front is open.' Important forces in Moldova profit from this situation. For example, the

²⁶ Interview with the author, Sukhum, Abkhazia, 23 July 2000.

²⁷ See the comments of Boris Pastukhov, 18 April 2001, Moldovan information service, *Infotag*.

²⁸ Interview with the author, Chisinau, Moldova, 13 July 2000.

steelworks at Rybnitsa, one of the mainstays of PMR independence, is not a full-cycle factory. 50% of the scrap metals for it are provided by Moldova. Most importantly, this strategically important factory exports steel to world markets, mainly the United States, with *Moldovan* customs stamps, provided to the PMR by Chisinau in February 1996. A number of figures in the Moldovan government profit from this very lucrative trade. Russian groups have also invested in the PMR. Most notably, the Russian-owned Itera gas provider, which is based off-shore but has close ties to the Russian gas giant Gazprom, is the majority owner of the Rybnitsa steelworks, having invested an estimated 100 million US dollars in the plant since 1998. Similarly, South Ossetia has become a major channel for smuggled goods to and from Georgia and Russia, including most of the flour and grain sold in Georgia.

Crime mingles with geopolitics in these conflicts in an unsettling manner. Russian peacekeeping troops have become involved in smuggling activities across the front lines in Georgia and Moldova since their deployments. In the Gali District of Abkhazia, crime and smuggling have become dominant ways of life for the vulnerable Georgians who have returned, the Georgian paramilitary groups that are active there, as well as the Russian peacekeeping troops. The trade in hazelnuts and citrus fruits, and also petrol from Russia, has blurred the lines between ethnic groups in the conflict, uniting them all in the search for profit. It is clear that enough people, inside and outside the de facto states, profit enough from their existence to make the status quo durable. A perverted and weak, but workable, incentive structure has emerged over the last decade that sustains the separatist areas.

II.2 External drivers

Internal forces combine with three external drivers to sustain the de facto states.

The role of the metropolitan states

Moldova, Georgia and Azerbaijan themselves play important roles in sustaining the status quo. This is not to blame these states for the impasse, but it is important to recognise their part more clearly. Their role is both indirect and direct.

At the indirect level, Moldova, Georgia and Azerbaijan have *not* become magnets, which might be sufficiently attractive to compel the separatist areas to compromise in order to benefit from the restoration of political and economic relations. At the economic level, the de facto states believe that the economies of Moldova, Georgia and Azerbaijan are as bad as theirs, if not worse. When the Georgian economy was growing at almost 10% of GDP in 1996-97, the Abkhaz authorities may have looked across the Inguri River with some envy. However, the collapse of the Georgian economy since 1998 after the Russian rouble crisis, and the increasing evidence of endemic corruption, have reinforced the Abkhaz perspective on limited prospects for economic cooperation with Tbilisi.

The nature of politics in the former centres has reinforced the de facto states' determination. Radical nationalist parties continue to exist in all of the metropolitan states, providing ammunition to the separatist authorities to justify the possibility of renewed war. In Georgia, for example, a 'Temporary Committee for Abkhazeti' was created in January 2000 which pledged to liberate the region by the spring of that year. The Georgian government has subsidised the government for Abkhazia in exile. This ethnically Georgian structure maintains

eleven ministries, thirteen state committees, nine general offices and five inspectorates. There is also a faction in the parliament, made up of Georgian former members of the Abkhaz parliament from before the war.

This ponderous and expensive government in exile performs an important service for President Eduard Shevardnadze in channelling the political discontent of the 250,000-strong IDP population into state-led mechanisms. After all, Shevardnadze has survived two very close assassination attempts, and renewed attempts on his life cannot be ruled out. These structures act as a control valve in domestic Georgian politics. However, this support does nothing to increase the confidence of the Abkhaz authorities that Tbilisi is genuinely interested in their view. It reinforces the view that Tbilisi has not recognised their position as having any legitimacy, and still sees them as a 'fifth column' for the return of the Russian empire. The activities of Georgian 'partisan' groups inside Abkhazia also strengthen Abkhaz contentions that Tbilisi seeks to undermine Abkhazia by force. The 'partisans' receive unofficial support from the Georgian government, including advanced weaponry, remote-controlled mines and night vision equipment. Periodic statements by Shevardnadze about the possible use of force in Abkhazia are not helpful either.

The protection of human rights and national minorities remains problematic in the metropolitan states. In Azerbaijan, in particular, the treatment of national minorities and ordinary citizens has been blemished by the strong-arm tactics of the police and security forces, which have been noted publicly by such international human rights organisations as Human Rights Watch. In the Georgian case, a prominent member of Abkhaz civil society stated: 'Abkhaz society is not convinced that Georgia is a democratic state. In the absence of a conciliatory tone in Georgia and with no sense of culpability for instigating the war, Abkhazia believes that Georgian is an unreliable partner with which to build a common state.'

At the indirect level, therefore, not enough change has occurred in politics and economics in the metropolitan states to convince the separatist authorities to seek renewed ties through compromise. In the striking words of Paata Zakareishvili, a moderate Georgian political commentator: 'What has Georgia done to make Georgia more attractive to Abkhazia? Georgia is hardly attractive to Georgians.'²⁹

Moldova, Georgia and Azerbaijan play a direct role in sustaining the status quo. A first dimension centres on the question of economic ties where the metropolitan states face a real dilemma. A first option for them is to develop economic ties with the separatist area, as Moldova has done. However, while certain groups in Moldova have profited from this cooperation, it has done nothing to decrease the number of PMR customs and border posts illegally deployed in the Security Zone. Nor has it increased the degree of trust between the two parties. Cooperation has been exploited by the separatist authorities to strengthen their independence. The other option available is to blockade the separatist area, as has been done by Georgia and Azerbaijan. These blockades have affected deeply the separatist states. However, the blockades have served only to entrench the intractability of the de facto authorities, and pushed them to develop skewed, but workable, subsistence economies. Both policy options adopted by the metropolitan states have strengthened the logic sustaining the de facto states.

²⁹ Paata Zakareishvili, 'Political Responsibility and Perspectives for Conflict Resolution in Georgia-Abkhazia,' in Natella Akaba (ed.), *Abkhazia-Georgia: Obstacles on the Path to Peace* (Sukhum, Abkhazia: 2000), pp. 9, 24-9.

The existence of de facto states inside metropolitan borders is not entirely undesirable – the situation could be worse for Chisinau, Tbilisi and Baku if these states were recognised by the international community. The metropolitan states are not compelled to recognise the defeat they suffered in the early 1990s. An open recognition of defeat, and loss of historical lands, would challenge political stability and threaten the current leadership and their successors. Particularly in Georgia and Azerbaijan, there exist strong opposition forces, which would attack any government of compromise as ‘defeatist.’ Moldova, Georgia and Azerbaijan are fragile newly independent states with weak political institutions, and limited resources, which have all embarked on a difficult process of nation- and state-building. The well respected Georgian commentator, David Darchiashvili, stated to me in an interview on 6 August 2000, ‘the new Georgia would not survive the open loss of Abkhazia – it would not withstand the shock.’ The reality is that Georgia has already lost Abkhazia. However, non-recognition of the separatist state allows Georgia to continue living a dream of national and territorial unity. Put bluntly, the status quo allows the Georgian and Azerbaijani authorities to avoid grasping the nettle of defeat.

Abkhazia’s non-recognised status also allows Tbilisi to make use of means of coercion short of war to undermine the separatist regime. The tools used include sanctions and support to the Georgian armed groups in subversive activities. Moreover, the status quo allows Moldova, Georgia and Azerbaijan to focus on domestic areas that are perceived to be more vital for their future: attracting foreign direct investment, and developing strategic economic sectors. In Azerbaijan, the government under President Heydar Aliyev adopted a ‘wait-and-strengthen’ policy, based on the promise of massive profits from the development of vast energy reserves. The metropolitan states accepted cease-fires in the early 1990s to gain time, which all of them saw as playing in their favour. The status quo is seen as a window of opportunity in which to gain external sources of support and strengthen the metropolitan state, while the separatist area is blockaded and undermined.

The Russian role

As the former imperial centre, Russia has played a key role in these conflicts. Russian intervention was important in the outbreak and then freezing of the conflicts in Moldova and Georgia. Russian peacekeeping forces are now deployed on what have become de facto borders inside these two states. Since the early 1990s, Russian policy has retained enough ambiguity to reinforce the status quo, and act as a form of protection for the de facto states. There are several levels of Russian engagement that strengthen the status quo.

The first level concerns Russian peacekeeping operations. The deployment of Russian peacekeeping forces in South Ossetia and Abkhazia, and in the PMR between June 1992 and May 1994, reflected Russia’s re-engagement throughout the former Soviet Union after an initial period of neglect.³⁰ This re-engagement assumed an exclusive form as the Russian government resisted cooperation with the UN and the OSCE. Russian operations were deployed to re-establish Russian hegemony over these states. In Moldova and Georgia, Russia sought to compel Chisinau and Tbilisi to accede to Russian security demands. Support to the separatist movements played a critical role in the Russian strategy.

³⁰ The following section draws from previous work by the author, ‘Peacekeeping Dilemmas and Euro-Asian Conflicts,’ in Dov Lynch and Yelena Kalyuzhnova, *The Euro-Asian World: A Period of Transition* (London: Macmillan, 2000). For a complete examination of Russian peacekeeping, see Dov Lynch, *Russian Peacekeeping Strategies towards the CIS* (London: Macmillan and RIIA, 1999).

Russian approaches shifted away from the coercive policies adopted in 1992-1995. Nonetheless, Russian peacekeeping operations sustain the postwar status quo. The imposition of cease-fire regimes in the early 1990s halted the conflicts without resolving the fundamental security dilemma that fed them. The fact that Russian peacekeeping forces played a role in the conflict, supporting either one or the other side, remains at the forefront of the security calculations of the conflicting parties. As a result, the operations have not promoted trust between the parties, but only reinforced a prevailing sense of distrust. The Moldovan government's confidence in the security guarantee provided by the peacekeeping forces has been fatally undermined by Russia's previous support to the PMR military, and Russia's permissive attitude towards the PMR construction of border posts in the Security Zone. In Georgia, any trust that Tbilisi might have had in the CIS peacekeeping operation has been destroyed by its passive role in providing for the security of returning IDPs to the Gali District. Put bluntly, Russian peacekeeping troops simply guard the borders separating the parties.

Russian support to the separatist forces has reinforced the metropolitan state's propensity to disregard the legitimacy of the separatists – they are seen as the 'fifth column' of an aggressive external power. Following this view, the Azerbaijani government has refused to talk to the Nagorno-Karabakh authorities, insisting that the negotiations be held with the Armenian government in Yerevan as the real power behind the war. These circumstances have reinforced the tendency of the conflicting parties to seek an external mediator that will support their view, as a 'saviour' who will allow them to fulfil their maximal aims. Russian peacekeeping operations, therefore, have only increased the distrust between the parties in Moldova and Georgia and entrenched the status quo through their protection of the de facto state. In the case of Nagorno-Karabakh, where no peacekeeping forces were deployed, extensive Russian military support to its strategic ally, Armenia, has had similar effects.

Russian engagement has also been political and economic. At the political level, nationalist forces in the Russian Duma have pledged support to the de facto states on numerous occasions, through parliamentary resolutions and public debates. The Duma has very little impact on the course of Russian foreign policy. However, its activities are followed closely in the capitals of the de facto states, and actively drawn upon in their own rhetoric as sources of moral support. This is not a negligible factor strengthening the determination of the separatist states, as they hold out for an eventual victory of radical forces in Russian politics.

In addition, the Russian government has allowed various forms of economic cooperation with the de facto states. In the PMR, the Russian Central Bank provided support to the separatist budget in 1992. Since then, direct support has stopped. However, Moscow has not prevented the numerous economic and trade agreements that have been struck between the de facto states and subjects of the Russian Federation. The PMR and Abkhazia have reached trade agreements with over forty members of the Russian Federation.

Russia has continued to use the de facto states as a means of pressure on the metropolitan states. For example, in December 2000 Russia established a visa regime on the Russian-Georgian border, which made the crossing prohibitive for ethnic Georgians. Much to Tbilisi's dismay, this regime was not applied to Russian borders with Abkhazia and South Ossetia, which are legally Georgian. Abkhazia exists thanks to its position on the Black Sea, and mainly because of its border with Russia. There is furious trade across the border, which provides most goods to the market in Sukhum, as well as petrol and gas. Moreover, Abkhazia remains a part of the rouble zone. Russian support, while far less than is assumed in Tbilisi, is *just enough* to sustain the existence of Abkhazia.

Other sources: state, sub-state and supra-state actors

The separatist areas depend on other sources of external support for their existence. In the case of Karabakh, independence is really a sleight of hand which barely covers the reality that it is a region of Armenia. In February 1988, the Supreme Soviet of the Nagorno-Karabakh Autonomous Region in Azerbaijan voted to unite with the Armenian Republic. Subsequently, the independence of the Nagorno-Karabakh Republic was declared on 2 September 1991. Karabakh's independence allows the new Armenian state to avoid the international stigma of aggression, despite the fact that Armenian troops fought in the war between 1991-94 and continue to man the Line of Contact between Karabakh and Azerbaijan. The strength of the Armenian armed forces, and Armenia's strategic alliance with Russia, are seen as key shields protecting the Karabakh state by the authorities in Stepanakert.

Moreover, Nagorno-Karabakh is represented in the peace talks by the Armenian president in Yerevan, Robert Kocharyan, who was the leader of Nagorno-Karabakh during the war. The de facto state is far from self-sufficient. In the Soviet era, its economy was integrated with Azerbaijan and not Armenia. The blockade instituted in 1991 cut off Karabakh from its former economic network, leading to the collapse of its economy and a near-total dependence on Armenia for most goods. Every year, Armenia provides an annual 'inter-state loan' to Karabakh that covers 75-80% of its needs. With all its needs provided for by Yerevan and unified with the Armenian legal, economic and security space, the Karabakh de facto state is very different from Abkhazia and PMR, which do not have a reliable and dedicated external patron.

Kinship groups are another source of external support. Nagorno-Karabakh presents a unique case again. The earthquake in Armenia in December 1988 sparked the rise of powerful Armenian Diaspora groups to raise funds to support the people of Armenia. Several large Diaspora organisations, such as the Fund for Armenian Relief, and in particular the Hayastan All-Armenian Fund, have provided substantial humanitarian assistance to self-declared state. This support has strategic importance. The route linking the former Karabakh enclave to Armenia proper through the Lachin corridor was rebuilt with Diaspora funds (and it is the best road in the Caucasus). In 2000, work started on the construction of a strategic road linking the southern areas and the capital to the north of Nagorno-Karabakh. It is difficult to overestimate the role Diaspora support has played in creating Karabakh in material terms, as well as a pressure valve displacing urgency for compromise with Azerbaijan.

In the PMR, kinship groups played an important role in the clashes that occurred with the Moldovan forces in 1992. In particular, Cossack groups from the Don and Kuban fought in their hundreds as volunteers. The Cossacks remain a pillar of support for the separatist regime. In general, the PMR has benefited from a degree of support from a range of Slavic groups, including radical forces in Russia, but also ordinary Russians seeking a retirement home. The internationalist/Slavic heart of the PMR is personified in its president, Igor Smirnov, who started life as a factory manager in Siberia before being sent to the Dnestr region in 1985 by Moscow. Smirnov retains a Russian passport and votes in all Russian elections (always for the Russian Communist Party). In Abkhazia, support from ethnically related peoples in the North Caucasus was crucial in the war. The well-known Chechen commander, Shamil Basayev cut his teeth in the Georgian-Abkhaz conflict, leading the so-called 'International Battalion,' composed of men from the north Caucasus. In addition, a few hundred Turkish-Abkhaz have returned to Abkhazia since the end of the war to live, and they play an important part in the trade with Turkey.

Finally, international humanitarian organisations strengthen the status quo. Particularly in the case of Abkhazia, such organisations as ICRC, Médecins sans Frontières, and ACH have become pillars of the separatist state. A Needs Assessment study conducted by the UN Development Programme in Abkhazia in February 1998 concluded: ‘A large proportion of the population receives assistance either directly or indirectly at a cost of almost 17.5 million US dollars in 1997.’ Since 1997, the levels of international support have remained at a comparable level, and the proportion of Abkhaz dependent on international humanitarian aid has if anything increased. In formal terms, international aid is several times larger than the budget of the breakaway state.

Such support is less important in the PMR or Nagorno-Karabakh, which have less need for basic humanitarian assistance. However, international humanitarian support to Nagorno-Karabakh is not negligible. The aid provided by the US government through the framework of Save the Children has ranged at around 15 million US dollars/year. The assistance policies of other international organisations, such as the European Union and the European Bank for Reconstruction and Development, have also worked to entrench the current situation. For example, the EU has committed €5 million to the rehabilitation of the Inguri Dam, which is the primary source of electricity generation for Abkhazia and western Georgia.

CHAPTER THREE: SECURITY IMPACT OF THE SEPARATIST STATES

Internal and external factors weave together to create a logic that sustains the status quo and allows for the development of the separatist states. In discussing Abkhazia, the Georgian analyst Ghia Nodia argued that there existed an ‘impasse of volatile stability’. His perspective is relevant for all of these conflicts: ‘Nobody is happy, but nobody is terribly unhappy either, and life goes on . . . Any resolute attempt to change the situation dramatically could undermine the existing – if fragile – balance, and boomerang against the initiator, so everybody is cautious.’³¹ This cocktail of vested interest in the present and fear of the potential effects of change in the future works together to strengthen the status quo. What are the security implications of the existence of the de facto states?

III.1 Individual, state and regional security

The first level of impact is on the individual. In Abkhazia and Nagorno-Karabakh, almost every family has been touched by the war through personal loss, or some form of abuse, experienced during the conflict. The economies of the separatist states barely function, and the populations have suffered from a collapse of social services and education, and widespread impoverishment. For most people, life has retreated to basic survival tactics.

The blockades imposed on Abkhazia and Nagorno-Karabakh have heightened the difficulties facing the individual. The Abkhaz, in particular, are deeply isolated from the rest of the world. There are no telephone links. Without recognised passports, the Abkhaz are forced to bribe their way across the Russian border. These difficulties create a feeling of psychological isolation, in which the traumatic experience of the war has not been assuaged. As one member of Abkhaz civil society described it: ‘We live in a reserve!’ In Nagorno-Karabakh, public disaffection has translated into disenchantment with the political leadership, who are seen as corrupt. These perceptions are worse outside the capital Stepanakert. In the de facto states, life is desperate. The experience of the war, and the isolation that followed it, has created a climate of impunity from crime. As a member of UN Association of Abkhazia argued, once human rights are no longer protected – ‘once these elements of society are weakened, there naturally arise other tendencies, towards lawlessness and the idea that force should prevail over the law . . . and it is no secret that if you are [born] in primitive conditions, you will grow up wild.’³²

On the other side of the conflicts, over a million people were expelled from their homes. The 600,000 IDPs in Azerbaijan and 250,000 IDPs in Georgia still suffer the consequences of the wars despite years of cease-fire. In both countries, the IDPs and refugees have not been integrated into the local societies, and continue to live in terrible conditions. In response to this situation, the UN designed a so-called ‘New Approach’ in Georgia in August 2000 to integrate the refugee population into local economies and society. Thus far, the impact of this change of strategy has been limited. The existence of compact IDP groups has reinforced their

³¹ Ghia Nodia, ‘The Conflict in Abkhazia: National Projects and Political Circumstances,’ in Bruno Coppieters, Ghia Nodia and Yury Anchabadze (eds.), *Georgians and Abkhazians: The Search for a Peace Settlement* (Brussels: VUB Press, 1998).

³² Ermolai Adzhindzhal, ‘On Certain Aspects of the Informational Blockade,’ in *The Role of International Organizations in the Process of Post-Conflict Peace-Building in Abkhazia* (Suhkum: UNAA, October 1996).

sentiment of difference, and strengthened a distinct IDP view of the war, which makes potential compromise more difficult.³³

The second security implication lies at the level of the metropolitan states. The IDPs are a drain on their economic and financial resources. The loss of the separatist areas has serious economic costs. The loss of the PMR has left rural Moldova devoid of real industrial potential, all energy generating capacity and most of the transportation links to the CIS market. The Moldovan privatisation effort has been overshadowed by the reality that most profitable enterprises reside on the left bank of the Dnestr. More generally, the existence of separatist states on their territory has been an obstacle to extensive foreign direct investment because of the risk factor.

The rise of criminal structures profiting from the conflicts has worked to undermine the new states at several levels. The smuggling opportunities offered by the de facto states have led to the loss of millions of dollars of potential state revenue in cigarette and alcohol sales, and the import of oil and gas. The result has been the increasing criminalisation of the metropolitan state, with widespread corruption and graft. The de facto states have contributed to the climate of impunity prevalent throughout the metropolitan states. The existing losses, as well as the opportunity costs, on the economic transition of the new states of Moldova, Georgia and Azerbaijan, are difficult to overestimate.

Finally, the existence of heavily armed separatist areas on their territory poses a direct threat to their security. These separatist areas have allowed internal threats to cross over with external challenges. In Abkhazia and the PMR, Russian military troops intervened coercively in favour of the separatist forces. In Nagorno-Karabakh, Russian military support to the Armenian armed forces had a similar effect of placing pressure on the recalcitrant state of Azerbaijan. These conflicts have become pressure points for third parties to undermine the metropolitan state and compel them to accept external influence, such as Russian forward-basing and participation in CIS collective security arrangements. The non-settlement of the conflicts throws doubts on the overall transition process undertaken by the newly independent states.

The third security implication resides at the regional level. The non-settlement of the conflicts and the blockades have exacerbated the economic situation throughout these regions as a whole. In the Caucasus, blockades against Nagorno-Karabakh and Abkhazia have created a system of impediments to free trade that have skewed economic interaction across the region by blocking rational transportation routes as well as obvious trading partners, and increasing transportation costs. A study by the World Bank in 2000 concluded that lifting these impediments in the Caucasus would increase Armenia's GDP by approximately 30%, and Azerbaijan's by 5%.³⁴ In a region where macro-economic stability has not translated into an amelioration of people's lives, the opening of borders for free trade could make a substantial contribution to the economic transition of these states and alleviate the general impoverishment of the population.

³³ See excellent analysis of this question by Catherine Dale, 'The Dynamics and Challenges of Ethnic Cleansing: The Georgian-Abkhaz Case' (REFWORLD, UNHCR: August 1997), available from: www.unhcr.ch/refworld/country/writenet.

³⁴ Evgeny Polyakov, *Changing Trade Patterns after Conflict Resolution in the South Caucasus* (Washington DC: The World Bank, 2000), pp. 6-7.

Linked to this, the 'no-man's-land' status of the de facto states has reinforced their criminalisation. In many ways, the separatist areas have little choice but to pursue illegal economic activities, as their very existence is not recognised. Their authorities exploit the fact that they are under no obligation to abide by international law or trade agreements. In the case of the PMR, this has been reflected in the dumping of steel on the North American market. The separatist states have become focal points for regionally significant criminal activities. It has become clear that most criminal activities are undertaken through cooperation by Abkhaz, Armenian and Georgian criminal groups, in many cases with the complicity of Georgian police elements. In an interview in August 2000, an anonymous member of the UN Observer Mission to Georgia put it in the following words: 'The Georgian partisans [in western Georgia] are the criminals are the partisans are the criminals.' A tightly knit web of illegal profit and corruption links together all of the main actors across the Inguri River separating Abkhazia from Georgia proper, including the Abkhaz militia, Georgian 'partisans' and Russian peacekeeping forces.

The regional impact of criminal activities is particularly poignant in the PMR, which is a deeply criminalised state. The PMR represents one long, open border on both its western and eastern front for the transfer of all sorts of goods and persons to and from Moldova into Romania and Ukraine. The *EU Report on Relations with Moldova* noted: 'The EU remains highly concerned about the ongoing situation in Transdniestria (PMR) . . . Observers report that the area has become a ground for illegal arms dealing and organised crime.'³⁵ Moldovan press reports have estimated that close to two-thirds of all Moldovan cigarettes come from the PMR without any excise tax payment. The region is also a source of gas and oil smuggling to Moldova. On the Ukrainian border with the PMR, some 15 million US dollars in fines were imposed in 1999 against attempts to cross the border illegally. According to the Ukrainian President Leonid Kuchma, the value of the goods that are crossed without tax payment represents a very significant loss of revenue for Ukraine.³⁶ The rest of Europe is concerned directly by having the open sore of the PMR on its eastern border, as Moldovan citizens have easy passage into Romania, and the numbers of Moldovans applying for Romanian citizenship is on the increase (estimated at around 300,000).

Moreover, there is a military dimension. The former Soviet 14th Army was based largely in the Dnestr region, and it contained huge stocks of weapons and military equipment. In October 1994, the Russian government agreed to withdraw the equipment, along with the Russian troops, within two years after the ratification of the agreement by the Russian Duma. The Duma still has not ratified the agreement. In October 1999, at the OSCE Istanbul summit, Russia agreed to withdraw or destroy the equipment by the end of 2002. However, only two trainloads of equipment have been shipped to Russia (in November 1999, and November 2000). The quantities of weapons and equipment remaining in the separatist region are disturbing. The OSCE Ambassador to Moldova, William Hill, in June 1999 stated: 'The large quantities of weapons in Transdniestria [PMR], whose powers are equal to two bombs that destroyed Hiroshima, endanger the situation in the region and European security.'³⁷

The security impact has been more marked in the Caucasus. The de facto states of Abkhazia, South Ossetia and Nagorno-Karabakh have been stimuli for the militarisation of the region. On one side, Russia has developed a military alliance with Armenia, and retained a military presence in Georgia, as well as in Abkhazia and South Ossetia. On the other side, Azerbaijan

³⁵ See report on http://www.europa.eu.int/comm/external_relations/moldova/intro/index.htm

³⁶ See report in *Infotag*, 8 November 1999.

³⁷ William Hill, 5 June 1999, reported by *Basapress*.

and Georgia have developed close military ties with Western states such as Turkey, Germany, the United Kingdom and the United States, and have become active participants in the NATO Partnership for Peace programme. The de facto states are not the primary cause of this emerging system, but a reflection of it. These areas are exploited as fissures in the nascent regional security system. The non-settlement of the conflicts has exacerbated regional tensions and increased the geopolitical struggle for influence in the area.

The final security impact resides at the wider international level. The international community has become engaged in seeking to settle these conflicts. In South Ossetia, and the PMR, the OSCE has served as forum for negotiation. The peace talks in Nagorno-Karabakh have been directed by the so-called Minsk Group, under the aegis of the OSCE, and led by its three permanent co-chairmen from France, the United States and Russia. In Abkhazia, the UN has taken the lead in the negotiations through the person of the Special Representative of the Secretary General, and with the support of various UN agencies, including UNOMIG. The involvement of this varied group of agencies has done little to advance conflict settlement. International policy has been contradictory, with different strategies adopted for different conflicts.

The case of Abkhazia is indicative of the increasing disenchantment of local politicians and societies with the international community. As an organisation representing sovereign states, the UN has not provided direct support to the Abkhaz regime. The UN observer mission was deployed in the Security Zone to monitor the activities of the Russian/CIS peacekeeping forces. Both policies were welcomed initially by the Georgian government. However, Tbilisi has since become deeply disenchanted with the UN. UNOMIG has done little to ensure the safety of the IDPs who have returned to the Gali District. The passivity of the UN was painfully evident in May 1998, when Abkhaz forces swept through the Gali District, ejecting 30,000 Georgians from their homes for the second time. The Georgian government and society followed with care Operation *Deliberate Force* to halt the humanitarian catastrophe in Kosovo. Apparent double standards have increased public disappointment. In circumstances of economic duress and political instability, this disenchantment may be transferred to public perceptions of the transition towards market economies and democracies. The lack of settlement, therefore, throws into doubt the wider transformation of the post-Soviet region into a stable zone on Europe's periphery.

III.2 Limited positive impact

However, the existence of the separatist states has also positive impact. In essence, these wars are over for now. The separatists have won, and active combat has halted. Except in the unstable Gali region, the cease-fire regimes have been respected since the early 1990s. Moreover, while weak, neither the metropolitan states nor the de facto states have collapsed or 'failed,' on the lines witnessed in Somalia. Relatively workable mechanisms are functional in all of these areas. More broadly, a difficult situation has become increasingly normalised. In the Caucasus, a World Bank study of trade patterns in 2000 noted that, despite the regional blockades, trade has continued across the region. The study concluded that the effect of lifting the blockades would not be spectacular as long as the states remained institutionally weak and plagued by endemic corruption: 'A political settlement *per se* would not bring about immediate and drastic changes in the overall economic performance of the South Caucasus, given the

region's poor current business environment and its incomplete industrial restructuring.'³⁸ Years after the imposition of the blockades, trade has continued despite the conflicts.

Moreover, the economic difficulties of the metropolitan states do not stem only from the conflicts. They are weak states with fragile political institutions, facing large bureaucracies and entrenched habits of corruption, and led by politicians of varying degrees of competence. Moldova has become one of the poorest states in Europe, so the differences between lives on either side of the Dnestr River are not substantial. The situation in Georgia is not much better. In the words of an employee with ICRC in Georgia: 'Only one in twenty Georgians is a casualty of the conflicts. The other nineteen are victims of the economic collapse. War is not the main hardship but economic disarray. Everything is collapsing.'³⁹

A form of stability has emerged on the ground in the conflict zones. This stability is based on several factors. First, unlike the ethnic intermingling prevalent in former Yugoslavia, the de facto states were ethnically cleansed during the wars. There are no Georgians in Abkhazia, except in the Gali border, and there are no Azerbaijanis in Armenia and Karabakh. These circumstances provide for relative stability, as long as the former Georgian and Azerbaijani populations do not attempt to return to their homes in Karabakh itself and within Abkhazia. Unlike parts of Kosovo, the situation in these conflicts is closer to that of Krajina in Croatia after Operation *Storm* in August 1995, which forced all Serbs out of the country. The region has been stable ever since. Moreover, this stability has been maintained by a quite robust military deterrence system. The armed forces of the de facto states can not be overrun by the metropolitan states on their own. Russian peacekeeping forces are an additional buffer to renewed conflict.

Finally, the status quo is a more favourable backdrop for involvement by the international community than the more complex case of a conflict which is still being fought.

³⁸ See discussion in Evgeny Polyakov, *Changing Trade Patterns after Conflict Resolution in the South Caucasus* (Washington DC: The World Bank, 2000).

³⁹ Cited in S. Neil MacFarlane, Larry Minear and S. Shenfield, *Armed Conflict in Georgia: A case Study in Humanitarian Action* (T. J. Watson Jr. Institute for International Studies, Occasional Paper no. 21: 1996), p. 17.

CHAPTER FOUR: WAYS OUT OF THE IMPASSE

Having discussed the logic driving the de facto states and their impact, the last question may be posed: what should be done? The discussion will first examine traditional approaches to separatist states, and then the policies that have been pursued thus far towards the post-Soviet cases. Finally, this section will explore measures that might be taken to advance conflict settlement.

IV.1 Traditional approaches

Scott Pegg argues that the international community traditionally responds in three ways to separatist states: 'actively opposing them through the use of embargoes and sanctions; generally ignoring them; and coming to some sort of limited acceptance and acknowledgement of their presence.'⁴⁰ In addition, one must add a fourth option: the search to exterminate the de facto state by force. A brief description of these approaches will provide a backdrop for the subsequent discussion.⁴¹

The treatment of the Turkish Republic of Northern Cyprus (TRNC) illustrates the non-forceful option of open opposition. The TRNC has been submitted to an embargo by the Greek Cypriots, which has been followed by a host of international organisations. There are many examples of the international community simply ignoring the de facto state. The Provisional Government of Eritrea met this treatment in the early 1990s before its referendum on independence. The Republic of Somaliland has been consistently ignored despite the fact that, in empirical terms, the state of Somalia has not existed for years. Taiwan presents an example of a third approach. At the juridical level, Taiwan has not been recognised by the international community (although some 29 countries have done so). However, in practice, Taiwan has developed deep ties with the international community and a range of key states as a result of its own pragmatism (it accepts being called 'Taipei, China' in international forums) and the privatisation of its 'diplomatic' relations. Relations with the United States are directed through private agencies called the American Institute in Taiwan and the Coordination Council for North American Affairs. Operation *Storm* is an example of the fourth approach. In August 1995, Croatian forces attacked the self-declared Serbian state of Krajina inside Croatian territory and overran the de facto state in four days, expelling some 100,000 Serbs. The operation was undertaken with the tacit support of the international community.

There are very few examples of de facto states being accepted by the international community into the club of sovereign states. The one case often raised by the post-Soviet de facto states is that of Eritrea. After twenty years of armed struggle with Ethiopia, the Republic of Eritrea was blessed with international recognition in 1994. However, the Eritrean case is unique. Its success was based on a demonstration of clear military ability. Second, recognition was dependent on the inclusive policy adopted by then Ethiopian President Meles Zenawi in 1991, who opened the path for international recognition. In general, the international community does not recognise de facto states.

⁴⁰ Scott Pegg, *International Society and the De Facto State*, op. cit., pp. 177-81.

⁴¹ See Pegg's discussion also in 'The Taiwan of the Balkans? The De Facto State Option for Kosovo,' *Southeast European Politics*, vol. 1, no. 2, December 2000, pp. 90-100.

IV.2 Current approaches in the former Soviet Union

The metropolitan and European states, and the international community, have approached the post-Soviet de facto states in a range of ways. The result is inconsistent, with different approaches by the same actors across the region, as well as different policies towards the same de facto state. International approaches have taken in all four options discussed above. The actors involved include the metropolitan states, important third parties (for example, Russia, Diaspora) as well as international organisations (UN, EU, OSCE), international non-governmental organisations (INGOs, such as ICRC) and international financial institutions (IFIs). The table below summarises the inconsistency of the approaches adopted by different actors towards each de facto state:

Approach/ de facto state	Eliminate	Embargo	Engage	Ignore
Abkhazia	-August 1992: Georgian assault -1997 to present: sabotage actions by Georgian 'partisans'	-CIS/Georgian sanctions regime since January 1996 -No IFI support -No direct bilateral aid -Russian border security regime	-Ties to subjects of the Russian Federation -INGO assistance (ICRC, MSF, etc.) -Limited EU assistance (Inguri Dam project) -Direct talks with Georgia since 1992 -Limited North Caucasian support -Indirect Russian military assistance (via bases and PKF)	-Non-recognition by international organisations (UN, OSCE, EU, etc.) -Non-recognition by the metropolitan state, or any state
PMR	-December 1991-June 1992: clashes with Moldova	-No IFI aid -No direct bilateral aid	-Deep economic ties with Moldova and Russia -Private trade on international market (i.e., steel to US) -Direct talks with Moldova since 1992 -Indirect Russian military assistance (via former 14th Army)	-Non-recognition by international organisations (UN, OSCE, EU, etc.) -Non-recognition by the metropolitan state, or nay state
Nagorno-Karabakh	-1988-May 1994: War between Azerbaijani and Armenian forces -Sporadic clashes on the Line of Contact	-Blockade by Azerbaijan and Turkey -No IFI assistance	-INGO assistance (ICRC, MSF, etc.) -Deep integration with Armenia -Indirect assistance by US (via Save the Children) -Indirect Russian assistance (via military alliance with Armenia) -Diaspora assistance	-Non-recognition by international organisations (UN, OSCE, EU, etc.) -Non-recognition by the metropolitan state, or nay state -No direct talks with Azerbaijan

All of the metropolitan states sought in the first instance to eliminate the threat posed by the de facto states. The level of force ranged from the limited in Moldova to large-scale opera-

tions undertaken by Azerbaijani forces. In all cases, these attempts failed. There is no reason to believe that the metropolitan state might be capable of overrunning the separatist states in the near future. The Moldovan armed forces barely exist on paper. While numerically larger, the Georgian and Azerbaijani armed forces are not combat-ready, having suffered a decade of under-financing and civilian distrust. The armed forces of the de facto states represent significant adversaries, with combat-experienced troops, substantial political support and a determined reserve base.

Since the end of the wars, the de facto states have not been consistently ignored or embargoed by the international community. Through various private and non-governmental means, they have developed ties and received assistance from a range of international actors. In the PMR and Nagorno-Karabakh, Moldova as the metropolitan state, and Armenia as key patron, have provided important outlets for trade and sources of aid. Limited acceptance and various forms of engagement have given the de facto states enough room for manoeuvre to survive over the last decade through subsistence strategies. The inconsistent approach of the international community has contributed to the entrenchment of the status quo.

The efforts by third parties to advance conflict resolution must be understood in the light of this inconsistent wider approach. In this climate, peace talks have failed to produce substantial progress. Negotiations in these conflicts have focused on two groups of concerns: (1) the status of the separatist area, and its future relations with the metropolitan centre; (2) the need to address the problems that arose from the wars, such as the return of refugees and IDPs, and the withdrawal from territory occupied by separatist forces. The de facto states have pursued an objective immediately below outright independence. All have favoured the creation of a 'common state' with the metropolitan centre. In each case, the concept has taken a different meaning.

Formal progress has occurred towards the creation of 'common state' of Moldova and PMR. The parties agreed to a memorandum in Moscow on 8 May 1997, which seemed to open the way for an accommodation of Moldovan territorial integrity and PMR self-determination. Article 11 of the agreement stated: 'The parties shall build their relations in the framework of a common state within the borders of the Moldovan Soviet Socialist Republic as of December of the year 1990.' Since 1997, the talks have sought to define the meaning of the 'common state.' Differences between the parties have blocked attempts by the OSCE to determine a division of competencies within the framework of territorially integral Moldova.⁴² The Moldovan government has sought to develop federal relations for the 'common state,' where Chisinau would retain important functions as the federal centre, and federal units, such as the PMR, would have substantial devolved responsibilities. In contrast, the PMR has sought to define the 'common state' as a confederal-type structure, where there is no centre as such, only two equal parties, united by treaty in a voluntary association. As a result, talks have drifted between the two parties. In the words of the PMR's Foreign Minister, Valery Litskai, the 'common state already exists'. For the PMR, there is little else to achieve – the authorities are content with the limbo status in which they exist, as long as the separatist state remains connected to the world market.

Negotiations in the conflict in Abkhazia have not produced any substantial progress. There was an impression of progress in June and July 1997 in a series of talks led by Yevgeny Primakov and the Russian Foreign Ministry. According to the Abkhaz Foreign Minister,

⁴² For a publication with all of the agreements reached and the proposals put forward by both sides since 1992, see *Basic Documents in Pridnestrovian Conflict Resolution* (Kyiv: Friedrich Ebert Stiftung, 2000).

Sergei Shamba, an agreement on building a 'common state' between Georgia and Abkhazia was shelved at the last minute because of Georgian hesitation. The UN Special Envoy of the Secretary General has since taken the lead in the negotiations. Between 1997 and 1999, the Special Envoy focused on implementing confidence-building measures through joint working groups on security, economic and refugee issues. As little progress occurred, in 2000 the UN turned to focus on the two central issues: (1) the status of Abkhazia, and its relationship to Tbilisi; and (2) the return of Georgian IDPs. No progress has been made. The Abkhaz government decided unilaterally in 2000 to allow Georgian IDPs to return to the Gali District, but without adequate security guarantees, or international support. The Abkhaz authorities insist that they are prepared to discuss only the question of establishing a treaty relationship with Georgia based on voluntary cooperation between two sovereign states of equal rights.

Until 1995, Russia and the OSCE-led Minsk Group headed parallel negotiations between Armenia and Azerbaijan over the conflict in Nagorno-Karabakh. The cease-fire regime was set up and humanitarian assistance was to be delivered to Karabakh. However, the parallel talks failed to address the central concerns of the two parties. For Azerbaijan, these were the restoration of control over all its territory, the return of Azerbaijani IDPs to their homes and a division of powers with Karabakh that would leave Baku sovereign. For Armenia, the concerns were to retain a land link with Karabakh through the Lachin corridor, to ensure the security of Nagorno-Karabakh and to develop a horizontal relationship between Stepanakert and Baku. After 1997, the positions of Russia and the OSCE became more coordinated, and the Minsk Group became the central negotiating forum. Between May 1997 and November 1998 the Minsk Group produced three different drafts for a comprehensive settlement of the conflict, which sought to address various aspects of each party's position. The last draft, in late 1998, followed the lines of the 'common state' concept developed in Moldova and Georgia. The Azerbaijani president rejected this proposal as an affront to the country's territorial integrity, and a sop to Armenian aggression.

Subsequently, the talks shifted to bilateral meetings between President Heydar Aliyev and President Robert Kocharyan. After several years of direct meetings, the format of the talks shifted again in 2001. In a summit in February 2001, organised and led by French President Jacques Chirac, a number of so-called 'Paris Principles' were hammered out between the two presidents. The US government then held a series of proximity talks in Key West in early April, where further progress was reported. Despite the confidentiality of the talks, the contours of a potential deal are clear.⁴³

The Armenians would return immediately six of the seven Azerbaijani regions they occupy outside the former Nagorno-Karabakh Autonomous Region: the regions of Agdam, Fizuli, Jabrail, Kelbjar, Kubatly and Zangelan. This withdrawal would alleviate the bulk of Azerbaijan's IDP problem, as 80% of Azerbaijan's IDPs are from these areas. A massive IDP return would take place as soon as possible, with extensive international financial and material support. It is possible that IDPs would also have the right to return to their homes inside Karabakh. However, this return would not be immediate, nor would it be pressed by the international community in order to avoid the security dilemmas that might arise from the mingling of two former warring populations. In exchange for this concession, Azerbaijan would gain internationally secured access through the Armenian Meghri region to the

⁴³ For a discussion of recent developments, see Thomas de Waal, *Crossing the Line - Reflections on the Nagorno-Karabakh Peace Process*, Conciliation Resources Paper, London, May 2001, and *Negotiations on Nagorno-Karabakh: Where do we go from here?*, Caspian Studies Program, Harvard University, School of Government, 23 April 2001.

Azerbaijani region of Nakhichevan. The blockades on Armenia and Nagorno-Karabakh would be lifted. On the status of Nagorno-Karabakh itself, the agreement would remain purposefully ambiguous. Azerbaijan will not accept any violation of its territorial integrity, and the Armenians will not allow Karabakh to be subordinated to rule from Baku. The wilfully murky result will allow Karabakh to retain a de facto status tied to Armenia, while de jure remaining a part of Azerbaijan.

Substantial progress was achieved in these talks. The Armenian president realised the need to reach agreement with Azerbaijan in order to lift the blockades that have strangled the Armenian economy and society over the last decade. On the Azerbaijani side, Aliyev recognised the following points. First, Nagorno-Karabakh may indeed be lost for Azerbaijan. Second, the blockades against Armenia and the separatist state have failed to bring them to their knees. Third, any attempt by Baku to negotiate Karabakh's return to some kind of autonomous status inside Azerbaijan, on the lines of the pre-war situation, was unrealistic. Despite this progress, the summit between Aliyev and Kocharyan planned for June 2001 was suspended, and the negotiations are on hold. Neither president had devoted time to preparing his constituency for the idea of a peace deal. As a result, the talks were out of step with Armenian and Azerbaijani public opinion. Political survivors above all, the two presidents both turned to protect their domestic flanks. Despite the pressures of old age and his desire to clear any legacy that he might leave behind, Heydar Aliyev retreated, under pressure from his advisers, from signing what the opposition have called a 'defeatist' agreement. In Armenia, despite the clear advantages provided by a potential agreement, the radical opposition has also seized the issue to attack Kocharyan.

IV.3 Ways to break the inertia

The two extreme approaches to de facto states are not possible. Outright recognition by the international community may set a dangerous precedent. The metropolitan states are unable to impose their will forcefully on the separatist areas. Current policies, falling between these extremes, have only entrenched the de facto states and produced little results by the way of negotiations. What may be done to break the inertia of the current status quo? The key objective should be to make the policies of the international community more consistent with and more appropriate to the reality that has emerged on the ground. Without a coherent and realistic wider strategy towards the separatist states, negotiations will continue to fail.

The progress that did occur over Nagorno-Karabakh was based on the objective of achieving 'order balanced with justice' to settle the conflict. In essence, the potential agreement would be founded on recognition by Baku of the loss of Karabakh and its defeat in the war. Such a settlement would work with the grain of the status quo that has emerged over the last decade in terms of power arrangements existent on the ground. At the same time, it would seek to break the inertia that has set in, and initiate positive new trends. The framework for Nagorno-Karabakh may be a model to follow in all of the conflicts. In order to achieve greater synergy of effort, it is crucial that all third parties, and the wider international community, coordinate their approaches to the de facto states. A more coordinated policy might follow five measures to break the inertia in these conflicts. All of these points must be taken together. On their own they will be insufficient to break the status quo.

Status

An agreement on the status of the de facto state should be founded on current realities. Drawing on the Karabakh talks, discussions should focus on seeking to maintain the juridical integrity of the metropolitan states, while recognising the practical reality of the de facto state. The concept of the 'common state' has been discredited as a result of the Moldovan experience. However, the spirit of the concept is not necessarily negative. Various forms of association between the de facto and metropolitan states can be developed beyond the federal or confederal models. This means that the de facto state may not have the right to secede without the former metropolitan state's approval.

In order to alter the status quo in a more favourable direction, it is vital that such a status agreement be accompanied with the following policies, without which a repeat of the Moldovan 'common state' example will not be avoided.

IDP return

In order to defuse the explosive potential of maintaining large IDP populations and to persuade the metropolitan society of the need for a compromise on status, it is vital that the IDPs return home. This return should be fully assisted by the international community. However, the return should not occur immediately or everywhere inside the de facto state. In Azerbaijan, all IDPs should return as soon as possible to the occupied territories, but not to the town of Shusha inside Karabakh. In Abkhazia, Georgian IDPs should return with international protection and humanitarian support to the Gali District, where they were a compact majority before the war, but not further inside Abkhazia. In both cases, partial returns would alleviate the bulk of the IDP burden, and avoid the mistake of forcing war-afflicted populations to live intermingled. In conjunction, the international community should fund policies that integrate the remaining IDP population into local metropolitan societies and economies.

Security measures

In each conflict, the international community should seek to negotiate regional arms control agreements that reduce the numbers of troops, weapons and equipment in the conflict zones, while still *ensuring deterrence* for all parties. In the case of Moldova, this would require a partial demilitarisation of the PMR. In Georgia, the 'partisan' groups would have to be reigned in and their activities halted. An agreement in Nagorno-Karabakh will have to include the reduction of military forces along the former Line of Contact, and on the new borders.

In order to increase confidence between the parties, the international community may have to undertake a more active role in providing security guarantees. The deployment of observer missions (not peacekeeping forces) may also be valuable on the new front lines. The UN mission in Georgia can serve as a model for these missions. In itself, this operation works quite well. Its shortcomings have come to the forefront because the operation is not embedded in a more positive wider policy. In addition, international support to Russian operations, their logistics and supplies, may be positive. An enduring Russian presence would retain a deterrent effect. The negative consequences of Russia's presence may be attenuated by international observation and support.

Confidence-building measures

Much of the progress over Karabakh has been generated by international pressure and elite cooperation. The Armenian and Azerbaijani societies were left out of the process. This did nothing to deconstruct the 'Cold War' between the parties, characterised by a spiral of distrust, zero contact, and militarisation. The key to long-term settlement will reside in the dilution of this climate that exists in all of the conflicts. Confidence-building measures should be pursued at all levels between the conflicting parties – at the political level between political élites (executive, legislative, judicial, and local); at the economic level between business élites and local traders operating in a more open market; and at the social level between educators, opinion makers and students.

Isolated from a wider process, confidence-building activities have little effect. However, embedded in a region-wide and multi-dimensional approach, the dividends from confidence building activities are fundamental for sustaining a movement towards conflict settlement.

Economic support

The preceding points must be rooted in an economic framework that works towards breaking down the criminalised political economies of the de facto states and ending their economic isolation. Put bluntly, the economic blockades against Nagorno-Karabakh, and the CIS sanctions regime against Abkhazia, must be lifted. Economic cooperation and trade should be initiated between these conflicting parties.

The political authorities in Tbilisi and Baku often look towards the example of economic cooperation between Moldova and the PMR for reasons *not* to lift the embargoes. Again, it is important to reiterate the need for a multi-dimensional approach to these conflicts – without this overall package, economic cooperation, as in Moldova, will only strengthen the criminalisation of the de facto state and sectors of the metropolitan state. The lifting of the blockades must be accompanied by continued assistance from international financial institutions to the metropolitan states. Some of this assistance should be earmarked for the de facto state. Moreover, the metropolitan state should allow the de facto state to develop privatised relations with other states, on the lines developed by Taiwan. In general, humanitarian support in these conflicts should not be biased against or towards any one of the parties – Abkhazia/PMR/Nagorno-Karabakh should be fully integrated into the international humanitarian network.

All of these policy lines are already present in international approaches. However, they have been applied inconsistently by different organisations and states, and unevenly across the region. The lack of coordination has only entrenched the status quo. A coordinated international policy will produce more than simply synergy of effort. It may help to break the inertia of the current status quo, and initiate a new logic on the ground.

CONCLUSIONS

From an external perspective, the future of the de facto states appears questionable. They have subsistence economies. They are riddled with crime. And they face severe external threats. In sum, they seem bound to collapse. This is not necessarily the case.

The de facto states have survived for a decade, and they seem firmly entrenched to last another ten years. Their claim to statehood carries a logic that is difficult to refute now that it has been launched. As the anthropologist Ann Maria Alonso has noted: 'Baptised with a name, space becomes national property, a sovereign patrimony fusing place, property and heritage, whose perpetuation is secured by the state.'⁴⁴ In their own view, the de facto states have been playing already in the game of states for ten years. The attributes of statehood, in particular internal sovereignty and empirical statehood, are no longer negotiable for them. These states will hold out as long as they possibly can. In their perspective, the status quo plays in their favour. Non-recognition and international isolation are prices that they are willing to pay. The Abkhaz Defence Minister told me in July 2000: 'How long will we have to wait [for recognition]? Ten, twenty, thirty years? Let it be, we will wait.'⁴⁵ On similar lines, the Prime Minister of Nagorno-Karabakh, Anushavan Danielyan, stated: 'Non-recognition does not affect Nagorno-Karabakh's existence, or its status as an independent state . . . Nagorno-Karabakh is the same as Azerbaijan, but it is just not recognised!'⁴⁶ These de facto states are playing the long game – in which not losing means winning.

Any settlement will have to be based on the reality of the existence of self-declared states. Power-sharing is not the obvious solution in these conflicts, as the separatist states have no desire to share power and are determined to *exit* the metropolitan state altogether. The absence of a sense of shared destiny, and common 'idea' between the conflicting parties makes power-sharing inappropriate. The initial causes for the conflicts are now less important than this fundamental reality. The de facto states are driven by interwoven internal and external forces that have sustained them for over a decade.

In response, the international community, the metropolitan state and international organisations have applied a number of policies, ranging from outright hostility to limited engagement. The result has been a mixed and contradictory bag of approaches with little coherence and no strategy. As has been discussed in this paper, these conflicts are driven not by primordial clashes – they are sustained by clearly identifiable processes. The key objective is to highlight these processes, and explore pressure points where international engagement could alter the status quo.

In order to move towards settlement, the international community faces the task of creating a new reality on the ground that addresses the logic driving the self-declared states. The five-sided approach, detailed above, may go some way to shifting elements of this logic. All of the elements of this approach are already present in international policies towards the de facto states. However, taken in isolation and applied inconsistently, they work at cross-purposes. If these policies are combined in a coordinated international effort with limited objectives, the inertia that has set in so deeply may be broken. The metropolitan states may object to the

⁴⁴ Ann Maria Alonso, 'The Politics of Space, Time and Substance: State Formation, Nationalism and Ethnicity,' *Annual Review of Anthropology*, vol. 23, 1994, pp. 379-405.

⁴⁵ Interview with author, Sukhum, Abkhazia, 31 July 2000.

⁴⁶ Interview with author, Stepanakert, Nagorno-Karabakh, 15 August 2000.

contrived solution proposed above. And with good reason, as it does not restore their full sovereignty over lost territories. However, the conflicts will not resolve themselves, and the de facto states will not disappear of their own volition. Ten years after the collapse of the Soviet Union, the separatist states are deeply embedded. Without significant changes, they will remain a feature of the post-Soviet space in 2012. Far from becoming a strategic asset on Europe's periphery, the former Soviet Union will be confirmed as a zone of strategic threat, radiating instability externally and collapsing internally.

ABBREVIATIONS

ACH	Accion Contra La Hambre
CIS	Commonwealth of Independent States
EU	European Union
ICRC	International Committee of the Red Cross
IDP	Internally Displaced Person
IFI	International Financial Institution
INGO	International Non-Governmental Organisation
MSF	Médecins sans Frontières
NATO	North Atlantic Treaty Organisation
PKF	Peacekeeping Forces
PMR	Pridnestrovyan Moldovan Republic, known in Moldovan as Transnistria and in Russian as Pridnestrovye
OSCE	Organisation for Security and Cooperation in Europe
UN	United Nations
UNOMIG	United Nations Observer Mission to Georgia