THE BENEFITS OF ETHNIC WAR

Understanding Eurasia's

Unrecognized States

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W AR is the engine of state building, but it is also good for busi-
ness. Historically, the three have often amounted to the same
thing. The consolidation of national states in western Europe was in
part a function of the interests of royal leaders in securing sufficient rev-
enue for war making. In turn, costly military engagements were highly
profitable enterprises for the suppliers of men, ships, and weaponry.
The great affairs of statecraft, says Shakespeare's Richard II as he seizes
his uncle's fortune to finance a war, "do ask some charge." The distinc-
tion between freebooter and founding father, privateer and president,
has often been far murkier in fact than national mythmaking normally
allows.

Only recently, however, have these insights figured in discussions of
contemporary ethnic conflict and civil war. Focused studies of the me-
chanics of warfare, particularly in cases such as Sudan, Liberia, and
Sierra Leone, have highlighted the complex economic incentives that
can push violence forward, as well as the ways in which the easy labels
that analysts use to identify such conflicts—as "ethnic" or "religious,"
say—always cloud more than they clarify.[1] Yet how precisely does the
chaos of war become transformed into networks of profit, and how in
turn can these informal networks harden into the institutions of states?
Post-Soviet Eurasia provides an enlightening instance of these
processes in train.

In the 1990s a half dozen small wars raged across the region, a series
of armed conflicts that future historians might term collectively the

[1] See David Keen, *The Benefits of Famine: A Political Economy of Famine Relief in Southwestern Sudan,
1983–1989* (Princeton: Princeton University Press, 1994); William Reno, *Corruption and State Politics
in Sierra Leone* (Cambridge: Cambridge University Press, 1995); Stephen Ellis, *The Mask of Anarchy:
The Roots of Liberia's War* (New York: New York University Press, 1999).

wars of the Soviet succession: Nagorno-Karabakh, Transnistria, South Ossetia, Abkhazia, Chechnya, Tajikistan. Each involved a range of players, including the central governments of newly sovereign states, territorial separatists, the armed forces of other countries, and international peacemakers. By the middle of the decade, most of the conflicts had decrescendoed into relative stability. Numerous rounds of peace negotiations were held under the aegis of the United Nations and the Organization for Security and Cooperation in Europe (OSCE). Little progress was achieved in the talks, but with the exception of the second Chechen war beginning in 1998, none of the post-Soviet disputes returned to the previous levels of organized violence.

But how can one explain the persistence of these disputes, sometimes referred to as "stalled" or "frozen" conflicts, even after the cessation of violence? This article makes two central arguments in this regard. First, the territorial separatists of the early 1990s have become the state builders of the early 2000s, creating de facto countries whose ability to field armed forces, control their own territory, educate their children, and maintain local economies is about as well developed as that of the recognized states of which they are still notionally a part. The crystallization of independent statelike entities has meant that the resolution of these conflicts is not so much about patching together a torn country as about trying to reintegrate two functionally distinct administrations, militaries, and societies.[2] The products of the wars of the Soviet succession are not frozen conflicts but are, rather, relatively successful examples of making states by making war.

Second, the disputes have evolved from armed engagements to something close to equilibrium. In many cases both the separatists and their erstwhile opponents in central governments benefit from the untaxed trade and production flowing through the former war zones. Even in less unsavory ways, individuals inside and outside the conflict areas have an interest in maintaining the status quo—from poets who have built careers extolling their newfound statehood to pensioners worried about how their meager incomes might be further diminished if the country were once again integrated. It is a dark version of Pareto efficiency: the general welfare cannot be improved—by reaching a genuine peace accord allowing for real reintegration—without at the same

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[2] By "statelike entity," I mean a political unit that has (1) a population and (2) a government exercising sovereign control over some piece of territory—but without the imprimatur of international recognition. In Eurasia the conceptual bar for statehood cannot be raised too high, for many of the qualities that define relatively well functioning states in central Europe do not exist farther east, even among "states" that have seats at the United Nations.

time making key interest groups in both camps worse off. Even if a settlement is reached, it is unlikely to do more than recognize this basic logic and its attendant benefits.

This article examines the ways in which statelike entities have emerged and thrived in Eurasia since the earliest outbreak of violence in the late 1980s. Section I offers a brief overview of current research on civil war endings and notes the disjuncture between approaches drawn from the international relations literature and the work of sociologists and development economists on the functions of violence. Section II outlines the course of four Eurasian wars and identifies the de facto states that have arisen in their aftermath: the republic of Nagorno-Karabakh (in Azerbaijan); the Dnestr Moldovan republic, or Transnistria (in Moldova); and the republics of Abkhazia and South Ossetia (in Georgia).[3] There are other areas across eastern Europe and Eurasia that might be included on this list, such as Montenegro and Kosovo in Yugoslavia and Chechnya in the Russian Federation, not to mention the long-lived Turkish Republic of Northern Cyprus. But the four cases examined here are instances in which local armed forces, often with substantial assistance from outside powers, effectively defeated the armies of recognized governments in open warfare. They are also the cases in which the drive to create independent state structures has raised the most serious questions about whether one can reasonably expect any real reintegration with the central governments that are now recognized as legitimate by the international community. Section III analyzes the pillars of state building in each case, including the ways in which the interests of several major groups are satisfied by the limbo status into which these disputes have lapsed. Section IV describes the equilibrium that the disputes seem to have reached and suggests lessons that the cases might hold for further study of intrastate violence.

I. CIVIL WAR, NEGOTIATIONS, AND STATE CONSTRUCTION

Scholars have long recognized that civil wars tend to be protracted and that negotiated settlements are rare; even where talks succeed, they tend to produce end states that are less stable than outright victory by one

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[3] In deeply divided societies even spelling bees are political events, so place-names in each of these instances are controversial. I use the Romanian Transnistria instead of *Pridnestrov'e* or *Transdniestria* because it is more easily pronounceable, and Abkhazia, South Ossetia, and Karabakh because few people will have heard of alternative designations such as *Apsny*, *Iryston*, and *Azat Artsakh*. The same rule of convenience applies to other proper nouns.

side.[4] Given these facts—and the apparent interest of the international community in promoting negotiations, nonetheless—understanding why some belligerents come to the bargaining table while others remain on the battlefield has been a question of central importance.

Researchers have pointed to two broad categories of explanations. In one view, the qualities of the belligerents themselves may work against compromise. Ethnic groups may feel that a particular piece of real estate is historically theirs and that allowing it to be controlled by an alien group would be tantamount to national betrayal.[5] Committed leaders may sense that they have little choice but to push forward with the fight, lest they fall victim to even more radical comrades in their own camp.[6] If groups feel that they can get more by fighting than by negotiating—if they have not reached a "hurting stalemate," in William Zartman's well-known phrase—they are unlikely to seek peace.[7] A second view stresses the structural environment in which decision making takes place. Using insights from neorealist theory, some writers have argued that, in the absence of institutions to ensure credible commitment, even the most well intentioned leaders would be irrational to seek a negotiated settlement.[8] Given the host of factors that seem to work against negotiations, other observers have held that seeking peace only after one side has won or accepting the physical separation of warring ethnic groups may be the only truly stable solutions to large-scale communal violence.[9]

In all of these debates, however, the benefits of war have been largely neglected. As David Keen has observed, a major breakthrough in med-

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[4] Paul R. Pillar, *Negotiating Peace: War Termination as a Bargaining Process* (Princeton: Princeton University Press, 1983), 25; Stephen John Stedman, *Peacemaking in Civil War: International Mediation in Zimbabwe, 1974–1980* (Boulder, Colo.: Lynne Rienner, 1991), 9; Roy Licklider, "The Consequences of Negotiated Settlements in Civil Wars, 1945–1993," *American Political Science Review* 89 (September 1995), 686.

[5] On ethnic war, see Chaim Kaufmann, "Possible and Impossible Solutions to Ethnic Civil Wars," *International Security* 20 (Spring 1996).

[6] Rui J. de Figueiredo, Jr., and Barry R. Weingast, "The Rationality of Fear: Political Opportunism and Ethnic Conflict," in Barbara F. Walter and Jack Snyder, eds., *Civil Wars, Insecurity, and Intervention* (New York: Columbia University Press, 1999).

[7] I. William Zartman, *Ripe for Resolution: Conflict and Intervention in Africa* (Oxford: Oxford University Press, 1985).

[8] Barry R. Posen, "The Security Dilemma and Ethnic Conflict," in Michael E. Brown, ed., *Ethnic Conflict and International Security* (Princeton: Princeton University Press, 1993); James D. Fearon, "Commitment Problems and the Spread of Ethnic Conflict," in David A. Lake and Donald Rothchild, eds., *The International Spread of Ethnic Conflict: Fear, Diffusion, and Escalation* (Princeton: Princeton University Press, 1998); Barbara F. Walter, "The Critical Barrier to Civil War Settlement," *International Organization* 51 (Summer 1997).

[9] Chaim Kaufmann, "When All Else Fails: Ethnic Population Transfers and Partitions in the Twentieth Century," *International Security* 23 (Fall 1998); Edward N. Luttwak, "Give War a Chance," *Foreign Affairs* 78 (July–August 1999).

icine was the realization that what might be very bad for the organism could be very good for the germ that attacked it; the same can be said for civil wars.[10] There is a political economy to warfare that produces positive externalities for its perpetrators. Seemingly perpetual violence in Sierra Leone, Myanmar, Liberia, and elsewhere has less to do with anarchy—of either the social or the institutional kind—than with the rational calculations of elites about the use of violence as a tool for extracting and redistributing resources. Diamonds in Angola, timber in Cambodia, and coca in Colombia have all become spoils of war that fuel conflict while discouraging settlement. Conflicts, in this sense, may not "burn themselves out," precisely because it is in the interests of their makers, on all sides, to stoke them.[11]

Even after one camp has secured a partial or complete victory in the military contest, the basic networks, relationships, and informal channels that arose during the course of the violence can replicate themselves in new, statelike institutions in the former conflict zones. Belligerents are often able to craft a sophisticated array of formal institutions that function as effective quasi states, from the Jaffna Peninsula in Sri Lanka, to the "Somaliland republic" in Somalia, to the demilitarized zone in south-central Colombia. Through these institutions, however, politics in peacetime becomes little more than an extension of war. In the long run the instruments of violence, sublimated into the institutions of unrecognized regimes, keep existing states weak, populations poor, and full-scale war a constant possibility, even as they enrich the key players who extol the virtues of peace.

Such has been the case in the Eurasian conflicts of the 1990s. Yet there is also an intriguing twist. Not only have erstwhile separatists become relatively successful state builders, but they have also sometimes done so with the collusion of central governments, external actors, and international negotiators ostensibly committed to re-creating a stable, reintegrated country.

[10] Keen, "When War Itself Is Privatized," *Times Literary Supplement*, December 29, 1995. For a full exposition of his argument, see idem, *The Economic Functions of Violence in Civil Wars*, Adelphi Paper 320 (Oxford: Oxford University Press and International Institute for Strategic Studies, 1998).

[11] These arguments, central to the study of conflicts in the developing world for some time, have only recently begun to filter into the study of regional and interethnic violence in other areas. Even more recent is the attempt to see the uses of substate war through a broad, comparative lens. Among the most important works in this field are William Reno, *Warlord Politics and African States* (Boulder, Colo.: Lynne Rienner, 1998); Mats Berdal and David M. Malone, eds., *Greed and Grievance: Economic Agendas in Civil Wars* (Boulder, Colo.: Lynne Rienner, 2000); *A Rough Trade: The Role of Companies and Governments in the Angola Conflict* (London: Global Witness, 1998); and several working papers by Paul Collier and his associates at the Development Research Group of the World Bank, e.g., Collier, "On the Economic Consequences of Civil War," *Oxford Economic Papers* 51 (January 1999).

II. THE WARS OF THE SOVIET SUCCESSION

The end of Soviet communism was a relatively peaceful affair. Notwithstanding the range of social grievances and disputed boundaries across the region, few of the rivalries actually produced open war.[12] But in at least four instances, interethnic disputes, external interests, and elite rivalries interacted to create wars that led to serious loss of life and resulted in hundreds of thousands of refugees and internally displaced persons (IDPs). In all four cases separatists actually won the armed conflicts, producing recognized states that are only marginally functional and unrecognized ones whose ability to govern themselves is surprisingly strong.

The dispute over Nagorno-Karabakh was not the first instance of open interethnic rivalry within Mikhail Gorbachev's Soviet Union, but it was the first that involved the interests of two Soviet republics, Armenia and Azerbaijan. Although included within the administrative boundaries of the Azerbaijan Soviet republic, Nagorno-Karabakh was populated in the main by ethnic Armenians, around 80 percent of the population by 1989. The region had enjoyed autonomous status since the very beginning of the Soviet Union, but Karabakh Armenians complained of cultural discrimination and economic underdevelopment.[13] With the increasing openness under Gorbachev, these issues came to the fore. In 1988 Karabakh leaders called for transferring the region to Armenian jurisdiction. Swift reprisals followed, including an organized pogrom against Armenians in the city of Sumgait in Azerbaijan. Both sides voiced profound grievances. From the Armenian perspective, repeated attacks on ethnic Armenian communities were reminiscent of the Ottoman-era genocide, especially given the massive outflow of over 180,000 refugees by mid-1989.[14] From the Azeri perspective, Armenians were attempting to squelch the Azeri national movement by destroying the republic's integrity.

In 1989 the Armenian Supreme Soviet and the Karabakh local council adopted a joint resolution declaring the unification of Armenia and Karabakh, and Armenia began supplying local paramilitary groups with substantial assistance in men and matériel. The Azeris responded

[12] James D. Fearon and David D. Laitin, "Explaining Interethnic Cooperation," *American Political Science Review* 90 (December 1996).

[13] For an enlightening overview of the origins and course of the Karabakh war, see David D. Laitin and Ronald Grigor Suny, "Armenia and Azerbaijan: Thinking a Way Out of Karabakh," *Middle East Policy* 7 (October 1999).

[14] V. A. Zolotarev, ed., *Rossiia (SSSR) v lokal'nykh voinakh i voennykh konfliktakh vtoroi poloviny XX veka* (Russia [USSR] in local wars and armed conflicts in the second half of the twentieth century) (Moscow: Institute of Military History, Russian Ministry of Defense, 2000), 45.

TABLE 1

EURASIA'S RECOGNIZED AND DE FACTO STATES[a]

	Capital	Independence and Recognition	Population	Ethnic Composition	Territory	Armed Forces
Azerbaijan	Baku	declared Oct. 18, 1991; joined UN Mar. 9, 1992	8,000,000	Azeris 90%; Dagestani ethnic groups 3%;Russians 3%; Armenians 2%	86,600 sq. km.	72,100
Republic of Nagorno-Karabakh (also known as Azat Artsakh in Armenian)	Stepanakert	declared Sept. 2, 1991	150,000	Armenians 95%; Kurds, Greeks, Assyrians 5%	4,400 sq. km.	15,000–20,000 (incl. 8,000 from Armenia)
Moldova	Chisinau	declared Aug. 27, 1991; joined UN Mar. 2, 1992	4,300,000	Moldovans 65%; Ukrainians 14%; Russians 13%; Gagauz 4%	33,700 sq. km.	9,500
Dnestr Moldovan Republic (also known as Pridnestrov'e in Russian and Transnistria in Romanian)	Tiraspol	declared Sept. 2, 1990	670,000	Moldovans 33%; Russians 29%; Ukrainians 29%	4,163 sq. km.	5,000–10,000
Georgia	Tbilisi	declared Apr. 9, 1991; joined UN July 31, 1992	5,500,000	Georgians 70%; Armenians 8%; Russians 6%; Azeris 6%; Ossetians 3%; Abkhaz 2%	69,700 sq. km.	26,900

TABLE 1 (cont.)

Republic of Abkhazia (also known as Apsny in Abkhaz)	Sukhumi	declared Aug. 25, 1990	200,000	mainly Abkhaz, but compact Armenian population in north and Georgians (Mingrelians) in south	7,867 sq. km.	5,000
Republic of South Ossetia (also known as Iryston in Ossetian)	Tskhinvali	declared Sept. 20, 1990; recognized by North Ossetia in 1993	70,000–80,000	mainly Ossetians, but some Russians and Georgians	2,732 sq. km., minus a few villages still under central government control	2,000

SOURCES: *The Military Balance, 2000–2001* (London: International Institute for Strategic Studies, 2000); K. G. Dzugaev, ed., *Iuzhnaia Osetiia: 10 let respublike* (South Ossetia: On the tenth anniversary of the republic) (Vladikavkaz: Iryston, 2000); *Sakartvelo/Georgia* (Tbilisi: Military Cartographic Factory, 1997); *Atlas of the Dniester Moldavian Republic* (Tiraspol: Dnestr State Cooperative University, 1997); www.worldbank.org; author interviews.

[a] Figures for the unrecognized states are, at best, imperfect estimates, but they are as close as one can come given the available evidence. Most unrecognized states declared sovereignty first within the context of the Soviet Union, then declared full independence; the first date is the one usually celebrated as the national holiday. Territory and population figures for recognized states also include the unrecognized republics. Military figures do not include reserves, which can quintuple the number of men under arms.

by forcibly evacuating villages along the Armenian-Karabakh border and imposing a road and rail blockade first on the province and eventually on Armenia as well. Hostilities escalated after the collapse of the Soviet Union. Local Armenians in the regional capital, Stepanakert, organized a referendum on independence and declared the creation of a fully separate Republic of Nagorno-Karabakh. By the middle of 1992 Karabakh forces had opened a land corridor linking Karabakh to Armenia and had driven the Azerbaijani army from Shushi, the last remaining stronghold within Karabakh and a strategic highland from which the military had been able to bombard Stepanakert. A major offensive in 1993 created an Armenian-controlled buffer zone around Karabakh. After several unsuccessful mediation attempts throughout the early 1990s, the Russian Federation finally managed to secure a cease-fire in May 1994. Although it has since remained in place, with some minor violations, little real progress has been made on deciding Karabakh's final status.

The dispute between Armenians and Azeris might be cast, simplistically, as a reprise of struggles between Armenians and Turks left over from the early twentieth century. But across the Black Sea, in Moldova, no one would have predicted major violence in the 1980s. Rates of ethnic intermarriage were high; there were no religious lines separating ethnic minorities from the majority; and there had been no history of widespread communal violence. Nevertheless, Moldova became embroiled in a small war in the eastern part of the country, the thin Transnistria region east of the Dnestr River on the border with Ukraine.

Transnistrians were not a distinct ethnic population; in fact, ethnic Moldovans were the largest single group in the region. However, the importance of the zone in Soviet steel production and the military sector meant that Transnistria's inhabitants were fundamentally linked—in terms of both livelihood and social identity—to Soviet institutions such as the Communist Party, strategic industries, and the military.[15] The Moldovan national movement of the late 1980s thus hit Transnistrians particularly hard. Prodemocracy groups saw in perestroika an opportunity to reassert the voice of the republic's ethnic Moldovan majority after decades of Russian cultural domination. In 1989 the republican Supreme Soviet adopted a series of language laws that made Moldovan (Romanian) the state language and mandated the use of the Latin alphabet instead of Cyrillic.

[15] See Charles King, *The Moldovans: Romania, Russia, and the Politics of Culture* (Stanford, Calif.: Hoover Institution Press, 2000), chap. 9.

Industrial managers and military personnel in Transnistria reacted sharply, taking control of governmental and security structures in the districts east of the Dnestr River and in the Russian-majority city of Bender on the west bank. In autumn 1990 Transnistrian leaders declared a separate republic within the Soviet Union and later opted for full independence when Moldova itself seceded from the Soviet federation. War accompanied these competing declarations. In 1992 a Moldovan government offensive against Bender sparked the first major intervention by the Russian Fourteenth Army, stationed in Transnistria, on the side of the separatists. With the superior firepower of the Russian troops, the Moldovans were driven out of the city. The uneasy balance of power after the battle produced a formal cease-fire agreement and the deployment of a tripartite Russian-Moldovan-Transnistrian peacekeeping force. Despite numerous rounds of talks, sponsored by the OSCE and regional neighbors, there is as yet no agreement on the final status of Transnistria.

On the surface the relationship between Georgians and Abkhaz had little in common with that between Moldovans and Transnistrians. The Abkhaz are a distinct ethnic population, speaking a language unrelated to Georgian. During the Soviet period the Abkhaz were given their own autonomous republic, within which they enjoyed a privileged position in the party and state hierarchy, even though they constituted less than one-fifth of the population there. However, the pattern of events in the late 1980s paralleled those in Moldova. A revitalized Georgian national movement emerged in the waning days of Soviet power, eventually leading to a referendum on independence and Georgia's secession from the Soviet Union.

Abkhaz reacted by demanding greater local autonomy and a say in the politics of independent Georgia. Clashes erupted between the Abkhaz and the local Georgian majority. In early 1992 a new Georgian president, Eduard Shevardnadze, repudiated the negotiations that had been ongoing with the Abkhaz leadership, and full-scale war followed. Georgian troops marched into Abkhazia in an effort to eject the regional government and succeeded in capturing and holding the regional capital, Sukhumi. But by the end of 1993 Abkhaz militias, assisted by Russian forces, had pushed back the ill-prepared Georgian troops to the Inguri River, the dividing line between Georgia proper and Abkhazia. A Russian-brokered agreement in May 1994 provided for the deployment of a peacekeeping mission of the Commonwealth of Independent States (CIS) (in practice wholly Russian) to monitor the

security zone along the river. Negotiations on Abkhazia's final status, brokered by the United Nations, have continued since then.

Unlike the Abkhaz, the Ossetians had not historically been concentrated in Georgia, in the area of present South Ossetia; their cultural center was across the border in North Ossetia, now part of the Russian Federation.[16] By 1989, however, two-thirds of South Ossetia's population was ethnic Ossetian. Despite a history of strong intercultural ties between Georgians and Ossetians, the political climate of the late 1980s encouraged cascading demands for local autonomy and independence. In 1988 and 1989 the Georgian government adopted measures to increase the use of the Georgian language in public life and shortly thereafter rejected demands by regional leaders to upgrade South Ossetia's status from "autonomous region" to autonomous republic, the same as Abkhazia's. As with the Transnistrian reaction against Moldovan language reforms, Ossetian leaders also argued that language reforms would unfairly disadvantage them. The spark that ignited the violence, however, came in 1990, when the regional administration declared a separate South Ossetian republic within the Soviet Union, moved to unite with North Ossetia, and shortly thereafter held elections for a separate South Ossetian parliament—a variation on the Karabakh theme. In response, the Georgian parliament voted to revoke South Ossetia's existing autonomous status. President Shevardnadze ordered troops to the region, but their entry met with fierce resistance from Ossetian irregulars and their supporters from North Ossetia and other parts of the Russian Federation. In July 1992 a cease-fire agreement provided for the cessation of hostilities and final-status negotiations under the auspices of the OSCE.

III. THE POLITICS OF SURREPTITIOUS STATE BUILDING

The political elites that made these wars are today in large part the same, both in the national capitals and in the separatist regions. Most continue to refer to the events of the late perestroika period as explanations for why the violence erupted and why a stable settlement has been so elusive. Karabakh leaders talk of the revocation of their local autonomy and the massacre of ethnic Armenians in Sumgait. Transnistrians speak of the threat of cultural "romanianization" and the unwelcome possibility of Moldovan unification with Romania. Abkhaz and Osse-

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[16] For a firm statement of this view, see Anzor Totadze, *The Ossets in Georgia* (Tbilisi: Samshoblo, 1994); Totadze is the Georgian deputy minister of labor, health, and social affairs.

tians list Georgia's oppressive cultural policies and the dilution of the local autonomy that both regions had during the Soviet years.

These putative root causes, however, are slippery explanations for the absence of a final settlement. Most central governments and international organizations have in fact done everything that the conventional wisdom on conflict resolution would suggest in order to reach an equitable solution. Generally stable cease-fires, monitored by outside parties, have been put in place. Regular negotiations have continued under the aegis of the UN and the OSCE, with the support of the United States and the Russian Federation. Governments have, to varying degrees, amended their constitutions, citizenship laws, educational statutes, and local administrative structures to provide for civil rights guarantees and local autonomy, all of which has allowed all three recognized states—Azerbaijan, Moldova, and Georgia—to join the Council of Europe.

The real obstacle to a final settlement has been the fact that, beneath the façade of unresolved grievances and international negotiations, political elites in each region have managed to build states that now function about as well as the recognized countries of which they are still formally constituents. These unrecognized entities, moreover, are shielded by independent militaries, all of which have substantial supplies of armor and equipment: 15,000 to 20,000 men in Karabakh, 5,000 to 10,000 in Transnistria, 2,000 in South Ossetia, 5,000 in Abkhazia.[17] At the same time interest groups outside the conflict zones have learned to live with the effective division of their countries, finding ways to profit from a state apparatus that is chronically weak—and, in the process, ensuring that it remains so. The mechanisms of surreptitious state building have become increasingly clear in each case: the economic benefits of state weakness, the support of key external actors, the legitimization of statehood through cultural and educational policies, the complicity of central governments, and in some instances the unwitting assistance of international negotiators.

THE POLITICAL ECONOMY OF WEAK STATES

By any measure, Azerbaijan, Georgia, and Moldova are exceptionally weak states. Per capita GNP in 1999 was under $650 in all three countries. In the first two, public revenues (including foreign grants) account for 20 percent or less of GDP, a figure too low to support even the most

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[17] *The Military Balance, 2000–2001* (London: International Institute for Strategic Studies, 2000), 100.

basic state functions.[18] Significant portions of each country's territory, population, and wealth-producing potential—the separatist regions— remain wholly outside central government control. Karabakh and the occupied buffer areas are about 20 percent of Azerbaijan's territory; Abkhazia and South Ossetia together are 17 percent of Georgia's; Transnistria is 12 percent of Moldova's. Even outside the separatist republics, there are many parts of the country where the central government's power is virtually nil, areas where banditry is common, local notables run their own affairs, and the institutions of the central state are conspicuous by their absence. The lives of average Azerbaijanis, Georgians, and Moldovans rarely intersect with the state, and where they do, it is often in the form of a policeman demanding payment for an imagined traffic offense.

State weakness is of obvious benefit to the unrecognized regimes. Business can be carried on with neighboring states without paying production taxes or tariffs. Luxury goods, especially cigarettes and alcohol, can be brought in for resale or export. The republics differ, though, in terms of their relative economic success. The lowest on the development scale is probably Karabakh. Situated in a mountainous area where most roads are barely passable and with little indigenous industry and a collapsed agricultural system, Karabakh is largely poverty stricken. Its total population, estimated at 150,000, survives mainly on the basis of subsistence farming or resale of goods imported from Iran and Armenia.[19] Important urban centers, such as the city of Shushi, have yet to rebuild apartment buildings and offices gutted during the war. Although demining of fields and villages has progressed with the assistance of international relief agencies since the cease-fire, agricultural production has remained stunted because of fear of unexploded ordnance.[20] Nevertheless, local authorities have been able to construct something resembling a state, with its own foreign ministry (which charges visitors $25 for visas), armed forces, police, and court system. Even in Karabakh's dire straits, citizens have been able to find economic potential. The export of wood to Armenia and farther afield has become a booming enterprise, but it has also caused serious worries about deforestation and the long-term effects on Karabakh's eroding agricultural land, a situation that also obtains in Abkhazia.[21]

[18] Economic figures are based on World Bank reports at www.worldbank.org.

[19] Author interviews in Stepanakert, September 27–28, 2000.

[20] Author interview with Edgar Sargsian, field officer, International Committee of the Red Cross, Stepanakert, September 28, 2000.

[21] Author interview with Tevfik Yaprak, World Bank head of mission, Tbilisi, October 11, 2000; *Svobodnaia Gruziia*, September 27, 2000, 4.

Abkhazia and South Ossetia are only marginally better off than Karabakh. During the Soviet period, by contrast, both had been reasonably important regions. Abkhazia supported a booming tourist trade along its Black Sea coast, as well as a substantial hazelnut industry. In South Ossetia lead and zinc mines and factories producing enamel fittings, wood products, and beer and fruit juices had been important parts of the Georgian economy. Now, however, few of these enterprises are still functioning, since the outflow of refugees and IDPs more than halved the populations of both regions, which stand at under 200,000 in Abkhazia and 70,000 to 80,000 in South Ossetia.

Local inhabitants have turned to other pursuits. In Abkhazia tangerines and hazelnuts remain an important source of revenue, particularly since there are no taxes to pay to the central Georgian government; local gang activity, in fact, tends to be seasonal, centered around the attempts by bandits to steal hazelnut shipments in the late summer and early autumn. Trade in scrap metal, both from dysfunctional industries as well as from power lines, is also important. South Ossetia has little in the way of functioning industry or export-oriented agriculture, but the region's geographical position has been its chief asset. Just outside the entrance to the regional capital, Tskhinvali, the South Ossetian highway police maintain a customs checkpoint to monitor the vigorous trade along the highway to Vladikavkaz, the capital of the Russian republic of North Ossetia. The police, however, have come to function more as facilitators of this commerce than as its invigilators. A massive market in petrol and wheat flour flourishes along the roadside, with hundreds of trucks laden with goods from the Russian Federation.[22] The South Ossetian administration derives major amounts of revenue from controlling this trade, the road link to Vladikavkaz, and especially the passage through the mountain tunnel linking North and South Ossetia. OSCE officials estimate that some $60–$70 million in goods pass through the tunnel each year, compared with an official South Ossetian budget of roughly $1 million.[23] In both Abkhazia and South Ossetia, drugs, especially heroin, have also joined the list of transit goods.

Of all four unrecognized republics, Transnistria's economic position is probably the best. During the Soviet period Transnistria was the mainstay of Moldovan industry; while areas west of the Dnestr River were largely agricultural, most heavy machine industries and power-generating plants were located to the east.[24] Many still operate on the

[22] Author interviews in Tskhinvali, October 13, 2000.
[23] Author interview with Hans-Gjorg Heinrich, adviser to OSCE mission, Tbilisi, October 23, 2000.
[24] *IMF Economic Reviews: Moldova, 1993* (Washington, D.C.: International Monetary Fund, 1993), 46.

basis of barter, but some have even managed to secure contracts with firms abroad. The Ribnita mill, in northern Transnistria, was one of the Soviet Union's most important producers of high-quality rolled steel, especially for munitions. Originally built in 1984 using German technology, the plant remains one of the best in the former Soviet Union, and firms from Western Europe continue to sign contracts with the plant—so many, in fact, that by the late 1990s the firm employed a bevy of translators to process foreign orders.[25] The plant's profits provide roughly half the revenue for Transnistria's state budget.[26] It is indicative of Transnistria's international links that the "Dnestr Moldovan republic ruble," introduced as the region's official currency in 1994, was printed in Germany. In addition to steel, small arms—an important local industry during the Soviet period—are also manufactured, and Transnistria's president, Igor Smirnov, has hailed their export as a sign of his republic's importance on the world stage and its links with other embattled peoples in Kosovo, Chechnya, Abkhazia, and elsewhere.[27] Given the dire state of Moldova's own economy, Transnistria looks rather better in some areas. Average household income is higher, and in every major field except consumer goods the separatist region is a net "exporter" to the rest of Moldova, delivering more construction materials, chemicals, ferrous metals, and electrical energy than it receives.[28]

RUSSIA, DIASPORA POLITICS, AND INTER-"STATE" COOPERATION

From the earliest days these conflicts were never simple confrontations between an embattled ethnic minority and a nationalizing central government. The relationships involved were even more complex than Rogers Brubaker's "triadic nexus"—ethnic minority, central government, external homeland—would suggest.[29] Indeed, many interested players have been crucial in assisting the separatist republics not only in winning the wars but also in consolidating statehood afterward.

By far the most significant has been the Russian Federation. The Russian official history of the post-Soviet wars argues that Moscow has played a pacifying role in each of the conflicts.[30] It is clear, though, that

[25] Author interviews with Transnistrian steel workers, Ribnita, August 1, 1997.

[26] *Oxford Analytica East Europe Daily Brief,* January 11, 1999.

[27] Author interview with Valeriu Prudnicov, Moldovan police commissioner, Bender, August 1, 1997.

[28] *Republic of Moldova: Economic Review of the Transnistria Region, June 1998* (Washington, D.C.: World Bank, 1998), 27.

[29] See Brubaker, *Nationalism Reframed: Nationhood and the National Question in the New Europe* (Cambridge: Cambridge University Press, 1996), esp. chap. 3.

[30] See Zolotarev (fn. 14), esp. chap. 8.

Russian assistance was a crucial component in the early stages of state building. Whether prompted by the whim of brigade commanders or by a policy directive from Moscow, Soviet armed forces, later to become Russian Federation troops, were the main supplier of weaponry (and often soldiers) to separatist groups. Throughout 1991 and 1992 the Moldovans issued numerous notes to the Soviet and Russian governments protesting the involvement of the Soviet Fourteenth Army on the side of the Transnistrians.[31] In December 1991 the army's commander left his post to become head of the Dnestr Guards, the newly created army of the Dnestr Moldovan republic; he was followed by his former chief of staff, who became the republic's defense minister.[32] Azerbaijan was able to secure the complete withdrawal of Russian troops from its territory by mid-1993, but the forces that remained in Armenia—the Russian Seventh Army—are known to have aided both Armenian government troops and Karabakh irregulars during the war. Russian newspapers published the names of soldiers who participated in the fighting, and in 1992 the Russian Defense Ministry promoted the commanders of both the Fourteenth and Seventh Armies for their leadership in the Transnistrian and Karabakh campaigns.[33] Leakage of weapons and soldiers from the Russian 345th Airborne Regiment, based in Abkhazia, as well as the influx of freelance fighters from Russia's north Caucasus, contributed to the Abkhaz defeat of Georgian forces.[34]

Russian foreign and security policy since the wars has been complex in each of these cases, but it has centered around three main elements, all of which have turned out to be crucial resources for the unrecognized republics. First, Russian economic support has been essential. The Russian gas monopoly, Gazprom, while pressuring Azerbaijan, Moldova, and Georgia to pay their massive energy debt, has continued to supply subsidized gas to the separatist areas. Russian officials have even staffed positions within key economic institutions. Until late 1996 the head of the Transnistrian central bank was reportedly a member of

[31] *Moldova suverana,* June 11, 1991, 1; *Curierul national,* April 4, 1992, 1, 7; *Romania libera,* April 4–5, 1992, 8.

[32] Stephen Bowers, "The Crisis in Moldova," *Jane's Intelligence Review* (November 1992), 484.

[33] *Den',* August 9–15, 1992, and Radio Maiak, September 18, 1992, both cited in Mihai Gribincea, *Politica rusa a bazelor militare: Moldova si Georgia* (Russian policy on military bases: Moldova and Georgia) (Chisinau: Civitas, 1999), 15. Gribincea's book is the most thorough study of the role of the Russian military in Moldova and Georgia. See also idem, *Trupele ruse in Republica Moldova: factor stabilizator sau sursa de pericol?* (Russian troops in the Republic of Moldova: Stabilizing factor or source of danger?) (Chisinau: Civitas, 1998).

[34] Gribincea (fn. 33, 1999), 42–43.

the Russian intelligence service; even after that, bank officials continued to receive training in Moscow and St. Petersburg.[35]

Second, negotiations with Moldova and Georgia regarding the withdrawal of Russian troops have been linked to the resolution of the separatist disputes. In 1999 both Moldova and Georgia managed to secure Russian agreement to an eventual full-scale withdrawal, but in both cases the devil has been in the details. The Moldovan government, pressured by both Russia and the OSCE, signed an agreement in 1994 mandating that the withdrawal of the Fourteenth Army be "synchronized" with the final status of Transnistria. That agreement has effectively blocked real progress in withdrawal negotiations, since it is unclear whether withdrawal should precede resolution or vice versa. Russian troop strength is much lower now than in the past—in 2000, about twenty-six hundred men plus local contract hires, reorganized as an "operational group" rather than an army[36]—but the military presence continues to be a boon to the Transnistrians, providing civilian and military employment for local citizens and a sense of security for the unrecognized regime.[37]

The Russian military in Georgia began downsizing in 2000. However, much of the matériel was moved to Armenia, with which Russia has a long-term basing agreement; that, in turn, aroused Azerbaijani fears that some of the equipment would eventually find its way into both Armenian and Karabakh hands.[38] The Russian military base in Abkhazia serves much the same function as the troop presence in Transnistria, providing employment and security for an effectively separate regime. The Russian and Georgian governments have carried out negotiations regarding the conversion of the base into a convalescence station for Russian peacekeepers, but that change of label would not substantially alter the strong role that the facility plays in Abkhaz political and economic life.[39] In both Moldova and Georgia even the salaries of Russian soldiers and peacekeepers, paid in rubles, have en-

[35] Author interview with Elena Niculina, World Bank representative, Chisinau, July 29, 1997. The same point, however, could be made even about the recognized states. Russia continues to provide what amounts to subsidized gas deliveries, since outstanding debts from the former Soviet republics are often paid in government-issued bonds, which are, as Gazprom must realize, virtually worthless.

[36] *The Military Balance* (fn. 17), 125.

[37] A March 1995 referendum organized by the Transnistrian administration indicated that 93 percent of voters wanted a permanent Russian base in the region.

[38] Azerbaijani officials have suggested that the deployment of Turkish troops in Nakhichevan, the Azerbaijani enclave bordering Armenia, Turkey, and Iran, might be considered as a response to the increase in Russian forces in Armenia. *Svobodnaia Gruziia*, October 25, 2000, 4.

[39] *Georgia Today*, October 6–12, 2000, 4.

sured that Transnistria, Abkhazia, and South Ossetia remain economically tied to Russia rather than to their recognized central governments, because local goods and services are purchased using rubles rather than national currencies.[40] For these reasons, the Transnistrians and the Abkhaz have insisted that the bases remain in place or, if they are closed, that the Russian military equipment be transferred to Transnistrian and Abkhaz control.[41]

Third, Russian citizenship and visa policy has encouraged the separatist regions to see themselves as effectively independent states. Azerbaijan, Moldova, and Georgia have all been wary of allowing dual citizenship, for fear that inhabitants of the unrecognized republics would secure foreign citizenship and become even further disconnected from the center.[42] Many have taken Russian citizenship nevertheless. According to the Transnistrian administration, as many as sixty-five thousand people (about 10 percent of the population) now hold Russian citizenship.[43] Georgian officials worry that Abkhaz and South Ossetians have done likewise, especially since much of their livelihood depends on the ability to travel easily to the Russian Federation. The citizenship option is another reason that contract work in Russian Federation forces in Abkhazia and Transnistria has been an attractive option for many locals, since it can lead to a passport and citizenship. Even for those who are not citizens, changes in Russian visa policy have also widened the gap between the separatist zones and the central governments. Under a previous visa regime, citizens of former Soviet republics could travel to Russia without a visa. But as part of a move to tighten border security in the wake of the Chechen wars, Russia announced that it would pull out of the agreement and begin requiring visas for citizens of certain post-Soviet states. From late 2000 regular Russian visas were required of citizens of Georgia—but not of inhabitants of South Ossetia and Abkhazia.

While overwhelmingly significant, Russia is not the only external dimension to state building. Diaspora politics has also played a role. Armenia and the Armenian diaspora have been the sine qua non of

[40] Russian peacekeeping forces, although under a separate command from regular army personnel, have had a similar influence on the local economy. By early 2000 there were around fifteen hundred Russian peacekeepers in Abkhazia (formally a CIS peacekeeping mission), five hundred in South Ossetia, and five hundred in Transnistria.

[41] *Svobodnaia Gruziia*, October 24, 2000, 3, and October 25, 2000, 1.

[42] In August 2000 Moldova adopted a new citizenship law that provides for dual citizenship based on bilateral agreements. Currently, however, Moldova does not have any such agreements with foreign countries.

[43] *Oxford Analytica East Europe Daily Brief,* June 29, 2000.

Karabakh's existence. For all practical purposes, Karabakh is now more an autonomous district of Armenia than a part of Azerbaijan. The Armenian dram, not the Azerbaijani manat, is the legal tender. Substantial numbers of Karabakh inhabitants are Armenian citizens and travel abroad with Armenian passports; some have even risen to political office in Armenia—including Robert Kocharian, who has the distinction of having been president of both Karabakh and, now, Armenia. The highway connecting the Armenian city of Goris to Stepanakert, the so-called Lachin corridor carved out during the war, may now be the finest road in the entire south Caucasus. Built to European standards, it was financed in part by Armenians abroad, which accounts for the bizarre sign outside Stepanakert, in Spanish, acknowledging contributions from Argentina in its construction. Military convoys regularly travel the highway, taking fuel to Karabakh and returning to Armenia with timber, and there is nothing more than a small police checkpoint at the putative international frontier. Foreign investment from abroad, usually from Armenian communities, has begun to pick up. Swiss Armenian businessmen have invested some $900,000 in a watch-manufacturing facility; others have spent $2 million to renovate Stepanakert's central Hotel Karabakh; and still other investors have pledged some $17 million to build tourist facilities near Karabakh's striking medieval monasteries.[44]

The four unrecognized states also act in the international arena as if they were independent entities and cooperate with one another to a great degree. They have officially recognized each other's existence. The four presidents exchange visits during each republic's national day celebrations. Official delegations sign trade agreements, and firms execute import and export deals. Security services share information on possible threats. For example, in autumn 2000 a delegation of leaders of Moldovan nongovernmental organizations arrived in Georgia for a brief tour. The Moldovans asked, via the local OSCE office, if they could arrange a trip to South Ossetia as part of their program. After approaching the South Ossetian leadership, the OSCE brought back a categorically negative response. As it turned out, the deputy speaker of the Transnistrian parliament had been in South Ossetia only weeks earlier, to attend the celebrations surrounding the tenth anniversary of South

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[44] Author interviews in Stepanakert, September 27–28, 2000; *Russia Journal*, October 7, 2000 (electronic version at www.russiajournal.com/weekly); *Radio Free Europe/Radio Liberty Armenia Report* (May 1, 2000). Diaspora support, however, has not been as enthusiastic as Karabakh leaders would like. A tour through the United States by Karabakh premier Anushavan Danielian in 2000 produced pledges of about $5 million. The campaign had hoped to raise four times that amount.

Ossetian independence, and he had strongly advised the Ossetian interior and foreign ministries against approving the Moldovan visit.[45] Networks such as these were formalized in November 2000, when the foreign ministers of the four republics held an official conference in the Transnistrian capital, Tiraspol, and pledged to coordinate their bargaining positions in talks with the three central governments.

MAKING DENIZENS INTO CITIZENS

From early in all four conflicts, local authorities moved to take over educational and cultural institutions within the conflict zones. Polytechnics were upgraded to universities, new "academies of science" were established, and new national festivals were inaugurated. History curricula were redesigned to present the citizens of the separatist regions as the indigenous inhabitants of their territory and to strengthen the connection between previous forms of statehood and the current, unrecognized states. The new ministry of information and press of the South Ossetian republic began to reproduce works of nineteenth-century travelers who described the customs of the Ossetians, in order "to bring to the masses the most interesting pages in the history of Ossetia and the Ossetians."[46] The Ossetians located the origins of their modern statehood in ancient Iryston, the lands of settlement of the Iranian-speaking Alans; they were thus considered, as a new Ossetian encyclopedia argued, the true "autochthonous population" in their republic.[47]

Local intellectuals also worked, as far as possible, to discover cultural or historical heroes around which semiofficial cults could be built. In Transnistria, Alexander Suvorov, the eighteenth-century field marshal who conquered Transnistria for the Russian Empire, became a symbol of the Dnestr Moldovan republic, his visage appearing on the newly minted Transnistrian ruble. In South Ossetia the statue of Kosta Khetagurov, a nineteenth-century poet, became one of the focal points of the annual "republic day" in September. Previous instances of statehood, however tenuous, were marshaled in the cause. Armenians in Karabakh pointed to their own briefly independent republic, which had existed before Karabakh's absorption into Soviet Azerbaijan in the 1920s. Abkhaz writers lauded their 1925 constitution, which estab-

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[45] Author's interview with Igor Munteanu, director of the Viitorul Foundation, Tbilisi, October 12, 2000.

[46] Aleksandr Ianovskii, *Osetiia* (Ossetia) (Tskhinvali: Ministry of Information and Press of the Republic of South Ossetia, 1993), 3, from the editor's preface.

[47] A. B. Dzadziev, Kh. V. Dzutsev, and S. M. Karaev, *Etnografiia i mifologiia osetin* (Ethnography and mythology of the Ossetians) (Vladikavkaz: n. p., 1994), 64.

lished an autonomous regime. Transnistrians identified the Moldovan autonomous republic, which had existed inside Soviet Ukraine between the two world wars, as the basis of their modern statehood.[48]

The armed conflicts themselves also came to be venerated as a struggle against external aggression. Children who were not even born when the conflicts began are now almost teenagers, schooled in the view that the republics they inhabit not only represent ancient nations but also have been forged in the crucible of war and sacrifice. A special textbook, published to celebrate South Ossetia's first decade of independence in 2000, proclaimed:

> Ten years ago ... at the height of the Georgian-Ossetian confrontation, the Republic of South Ossetia was declared, a republic that has proved to be durable. The war killed and maimed thousands of our citizens; left tens of thousands of innocent people without shelter, work, and means of survival; razed our infrastructure; robbed the people of kindergartens and schools; and made peaceful citizens into refugees. Nevertheless, these years have a special historical significance for us, because we not only managed to defeat the aggressor but also to build our own statehood.[49]

Transnistrian textbooks proffer a similar narrative, especially with regard to the decisive Battle of Bender in 1992:

> The traitorous, barbaric, and unprovoked invasion of Bender had a single goal: to frighten and bring to their knees the inhabitants of the Dnestr republic. . . . However, the people's bravery, steadfastness, and love of liberty saved the Dnestr republic. The defense of Bender against the overwhelming forces of the enemy closed a heroic page in the history of our young republic. The best sons and daughters of the people sacrificed their lives for peace and liberty in our land.[50]

These arguments differ little from the equally tendentious views often used to justify the existence of Azerbaijan, Moldova, Georgia, and other new Eurasian states. As in those instances, there were rational reasons for the strategies that intellectuals and academics at the heart of these nation-building efforts pursued. In Karabakh the opportunity for greater connections with educational and research institutions in Armenia was at the center of the early movement for transferring the region to Armenian jurisdiction. Many Karabakh writers and educators

[48] Author interview with Vladimir Atamaniuk, first deputy speaker of the Supreme Soviet of the Dnestr Moldovan republic, Tiraspol, August 1, 1997.

[49] K. G. Dzugaev, ed., *Iuzhnaia Osetiia: 10 let respublike* (South Ossetia: On the tenth anniversary of the republic) (Vladikavkaz: Iryston, 2000), 4.

[50] N. V. Babilunga and V. G. Bomeshko, *Pagini din istoria plaiului natal* (Pages from the history of the fatherland) (Tiraspol: Transnistrian Institute of Continuing Education, 1997), 98.

eventually moved to Russia or Armenia, but others found themselves catapulted into new jobs as professors and administrators of the new "Artsakh State University" in Stepanakert. In Moldova the purge of Soviet-era scholars in the late 1980s created a class of disgruntled researchers and writers who looked on the Transnistrian cause as their own. Although not native to the region, many moved to Transnistria, where they could continue to thrive by writing the same Soviet-style versions of history and socialist internationalism that had made their careers—and become the shapers of Transnistrian national identity in the process.[51] In South Ossetia professors at the local polytechnic found that increasing ties with institutions in Vladikavkaz, Moscow, and St. Petersburg was more appealing than continued existence as a backwater in an increasingly "georgianized" educational system. While the new ideologies of nationalism and statehood at times did violence to historical fact, most grew as much from the professional backgrounds and interests of their makers as from a romantic commitment to nationalist ideals.

THE COMPLICITY OF CENTRAL GOVERNMENTS

Central authorities frequently point to the modalities of state building outlined above, complaining that the separatists and their external supporters are indeed constructing states that have come to depend less and less on the recognized governments. But that is only part of the story. In Georgia and Moldova central policy elites have also played a role in prolonging the disputes. The benefits of state weakness accrue not only to the separatists but also to the institutions and individuals who are ostensibly responsible for remedying it. Both countries are arguably among the most corrupt in the former Soviet Union, indeed, among the most corrupt in the world.[52] The links between corrupt central governments and the separatist regions have further imperiled already weak state structures while enriching those who claim to be looking after the states' interests.

In South Ossetia the illegal trade with Russia benefits all sides. The South Ossetian government receives money from resale and haphazardly applied "transit taxes," while Georgian authorities, especially the interior ministry, are able to take a cut by exacting fines from truck

[51] See, for example, N. Babilunga, ed., *Bessarabskii vopros i obrazovanie Pridnestrovskoi Moldavskoi Respubliki* (The Bessarabian question and the formation of the Dnestr Moldovan republic) (Tiraspol: Dnestr State Cooperative University, 1993); M. Shornikov, *Pokushenie na status* (Striving for status) (Chisinau: Chisinau Society of Russians, 1997).

[52] See the "Corruption Perceptions Index" at www.transparency.org.

drivers on the outskirts of Tbilisi. The expansion of international humanitarian aid to the region has also provided another cover under which goods can be traded; organizations are set up in Tbilisi to receive assistance destined for South Ossetia, and the goods are then sold in local markets.[53] It is partly for these reasons that relations between Tskhinvali and Tbilisi have generally been cordial, notwithstanding the lack of a final settlement. The South Ossetian president, in fact, openly supported Eduard Shevardnadze in his campaign for Georgian president in early 2000.[54]

Similar formulas are applied in Abkhazia. Police officials in Zugdidi and Tsalenjikha, the two districts on the Georgian side of the border with Abkhazia, carry out periodic crackdowns on illegal transborder commerce, but local observers are convinced that these efforts are designed less to enforce the law than to root out small-time smugglers who might disrupt the police monopoly on transborder trade.[55] None of this is news to local Georgians, who express deep skepticism about their own state institutions: two-thirds report having no faith in parliament or the president, and some 80 percent have no faith in tax and customs officials.[56]

These connections are even easier to document in Transnistria. In accords signed in 1996 and 1997, the Moldovan government, encouraged by the OSCE, agreed to establish joint customs posts with the Transnistrian administration, providing official customs stamps and export licenses to the separatists. Transnistria was also given the right to import and export goods, directly or via other parts of Moldova, without paying duties at the entry to Moldovan-controlled territory. Although the agreement was intended as a measure to build confidence between the two sides, in practice it represents little more than a conduit for illegal commerce under the cover of law. The scale of this trade is easily traceable, since customs duties are duly registered with the Moldovan central government, even if the money never makes it into the state coffers. In 1998, for example, Moldova imported about $125 million in goods subject to import taxes. At the same time, another $500 million was registered with Moldovan customs officials as entering the country for transit on to Transnistria.[57]

[53] Author confidential interview with senior United Nations official, Tbilisi, October 30, 2000.

[54] *Radio Free Europe/Radio Liberty Caucasus Report* (April 7, 2000).

[55] Heinrich interview (fn. 23); author interview with Naira Gelashvili, director of Caucasus House, Tbilisi, October 3 and 23, 2000; *Ekho-Daidzhest*, August 1–15, 2000, 7.

[56] *Georgian Lifestyle Survey*, 2000, cited in *Human Development Report, Georgia 2000* (Tbilisi: United Nations Development Program, 2000), 74.

[57] *Buletinul social-democrat*, no. 2 (2000); and author conversations with Oazu Nantoi, Chisinau, September 2000.

The figures are as instructive as they are incredible: a piece of terri-
tory that holds about 17 percent of Moldova's total population im-
ported four times as much merchandise as the rest of the country,
including about six thousand times as many cigarettes—all with the full
knowledge of the central tax inspector's office. While some of the im-
ports no doubt do reach Transnistria, most find their way on to the
Moldovan market. The country's senior presidential adviser on
Transnistria, Oazu Nantoi, resigned in protest when he discovered
these figures, and he later organized a series of broadcasts on public
television that brought this illegal trade to light. But in late 2000 the
director of Moldovan National Television ordered the broadcasts
stopped, reportedly on the order of senior government officials.[58]
Throughout these conflict zones, the weak state is not a condition that
has somehow simply happened. Continued weakness, whether in the
separatist regions or in central governments, is in the interests of those
in power.

There are also less egregious ways in which central governments re-
spond to powerful disincentives to changing the status quo. Even
politicians who may be committed, in good faith, to resolving the dis-
pute must deal with radical domestic forces pushing in the opposite di-
rection. In Georgia the Apkhazeti faction in parliament, the remnants
of the former Georgian administration in Abkhazia that fled to Tbilisi
during the war, has proved to be an obstacle to genuine compromise.
The Apkhazeti, who enjoy set-aside seats in parliament, function as a
regional government in exile; although they do not control enough par-
liamentary votes to challenge the strong government majority, they are
vocal opponents of any move that looks to compromise their own in-
terests in returning to power in Abkhazia.[59] Thus, they have long
blocked legislation that would provide for resettlement and integration
of the 250,000 people displaced during the Abkhaz war, people who
have spent much of the past decade living in "temporary" accommoda-
tions in run-down hotels and resorts. Resettling the IDPs in Georgia
proper, the faction leaders fear, would reduce their own political and
economic power, since they control state budgetary disbursements to
the IDPs and the provision of social services.[60] The Apkhazeti group
has, in turn, proved a useful foil for the most independence-minded
Abkhaz. Failed negotiations can always be blamed on the militaristic

[58] *Foreign Broadcast Information Service—Soviet Union* (October 24, 2000).
[59] *Georgia Today*, August 11–17, 2000, 3.
[60] United Nations interview (fn. 53).

language of the Apkhazeti and on their supporters on the ground, the ethnic Georgian guerrilla movements that harass Abkhaz troops. The Abkhaz, the Apkhazeti, and the Georgian government—although radically distinct groups—have a common interest in obstructing real change.[61]

INTERNATIONAL INTERVENTION AS A RESOURCE

In each of these conflicts, international involvement has been frequent if not frequently successful. In Azerbaijan the OSCE-sponsored Minsk Group has provided its good offices and a mechanism for negotiations since 1992. In Moldova an OSCE mission has been active since 1993 and has sponsored numerous rounds of negotiations. In Georgia a United Nations observer mission was deployed in 1993 to provide a basis for negotiations on Abkhazia's future and to monitor the peace-keeping operation conducted by the CIS forces in the Georgian-Abkhaz security zone. In South Ossetia, Russian peacekeepers have been in place since the end of the war, and negotiations on South Ossetia's final status have continued apace, involving Russia, North Ossetia, and the OSCE as mediators.

Despite this active engagement, little of significance has been achieved, for three broad reasons. First, in all cases the incumbent governments are arguing from positions of weakness. As the military losers in the conflicts, they have little to offer the separatist regimes. That basic dynamic is compounded by the parlous state of their own economies, which makes reintegration of little interest either to separatist elites or to their constituent populations. In all four disputes the separatists have insisted that full recognition of their independence should come first, after which they might be willing to negotiate some form of loose confederation with the incumbent governments. Central governments, by contrast, want precisely the opposite: an acceptance of state unity first, followed by discussions about devolution of power.

Second, because of the beneficial economies of stalemate, no key elites on either side have a major incentive to implement the agreements that have been signed. The belligerents have been favorably disposed to negotiate, even if scheduled sessions are routinely canceled or postponed, but rarely have the talks produced more than an agreement to keep talking—an outcome that seems acceptable to both sides. And

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[61] Similar situations exist in Moldova (where pro-Romanian intellectuals have opposed concessions on Transnistria) and Armenia (where militants assassinated the prime minister in 1999, when he seemed to be moving toward a compromise with Azerbaijan).

so long as the sides maintain "dialogue," they receive the political support and financial assistance of the international community. The major players have been willing to talk to each other precisely because the stakes are so low; few people on either side worry that what happens at the bargaining table will ever be implemented on the ground.[62]

Third, the policies of international negotiators have at times actually strengthened the statehood of the separatist regions. International intervention can itself be a useful resource for the builders of unrecognized states, for even accepting the separatist delegation as a negotiating partner confers some degree of legitimacy on that side's demands. And in more important and subtle ways, otherwise neutral facilitators have bolstered the separatists' hands. In Karabakh the difficulty of crossing the trenches between Karabakh and Azerbaijani forces—not to mention the excellent road link from Armenia—has meant that humanitarian and development programs, including those sponsored by the United States government, are managed from Armenia, not from Azerbaijan.[63] In Transnistria the local OSCE delegation strongly encouraged the Moldovan government to sign the agreements that provided customs stamps to the Transnistrians, thereby facilitating illegal commerce through the region. Later, the OSCE pressured the Moldovans to sign another accord that committed both sides to existence within a "common state," a form of language that the Transnistrians now interpret as Moldovan acquiescence to loose confederation.[64] In Abkhazia humanitarian relief agencies have become a pillar of the local economy, injecting as much as four to five million dollars into the economy each year through rents, services, and payment of local staff.[65] Even the most dedicated peacemakers thus find themselves in a no-win position: pushing an agreement with separatists who have no incentive to negotiate in good faith, with central leaders who benefit from the status quo, and with an impatient international community looking for any symbol of "progress," regardless of whether it actually contributes to resolution of the dispute.

[62] Author confidential interviews with senior OSCE and United Nations officials, Tbilisi, October 23 and 26, 2000.

[63] Author confidential interview with senior manager of United States assistance program, Stepanakert, September 28, 2000. Even the OSCE Minsk Group, the main negotiating forum, is based in Tbilisi, since basing the mission in either Baku or Yerevan would have been unacceptable to one of the sides.

[64] "Memorandum ob osnovakh normalizatsii otnoshenii mezhdu Respublikoi Moldova i Pridnestrov'em," signed Moscow, May 8, 1997.

[65] Author confidential interview with senior official in the United Nations Office for the Coordination of Humanitarian Assistance (UNOCHA), Tbilisi, August 29, 2000.

IV. PEACE AS A PUBLIC GOOD

Eurasia's de facto countries are informational black holes. Traveling there is difficult and often dangerous. Elections have been held but never under the eyes of international observers. Economic and demographic data are not included in statistics compiled by national and international agencies. Books and newspapers barely circulate within the separatist regions themselves, much less to national capitals or abroad.

For all that, they may seem instances of what Freud called the narcissism of small differences. In most instances the leaders of these republics and their counterparts in central governments speak a common language—Russian—during negotiating sessions. Many had similar professional backgrounds during the Soviet period. The territory that separates them is in some cases minuscule: Tiraspol is fifty kilometers from the Moldovan capital, Chisinau; Tskhinvali is under two hours' drive from the Georgian capital, Tbilisi. Yet the problems they have spawned are immense. They are the central political problem for the recognized states whose territory they inhabit, and they have become conduits for trafficking in drugs, arms, and even people across Eurasia into Europe and beyond.

The strict security dimension of each of these conflicts—the threats posed by massive refugee flows or renewed fighting, say—is no longer a major concern. Since the end of the wars, separatist elites have got on with the process of building states, and even central elites and average citizens have learned to accommodate themselves to that process. But the cessation of the armed conflicts has perversely made a final political settlement even more difficult to achieve. Peace has now become something like a public good, an outcome from which all groups might potentially benefit but which entails some sacrifice from all interested parties. Just as the political economy of war can perpetuate violence, so too the institutions of Eurasia's unrecognized states have ensured that the benefits born of conflict continue to accrue to belligerents on both sides, the erstwhile losers as well as the winners.

To a certain degree, the energetic institution building in the separatist regions is a legacy of Soviet socialism. Three of the conflict zones had some of the basic institutions of statehood already (through their status as "autonomous" areas), and even in Transnistria local party organs and city councils provided the germ for what would later become a parliament, presidency, and security structure. The Soviet system provided a convenient template for how national issues ought to be channeled, a template that placed a premium on having and controlling

statelike institutions drawn along national lines. It is indicative of the power of the Soviet legacy that among the first official acts of separatist elites was to set up a parliament and to adopt legislation on a national flag, anthem, and seal—long before they were even able to secure the territory they claimed as theirs. The supply of stateness in the Soviet system was there even before the demand.

Still, once the accoutrements of statehood have been put into place, they are extremely difficult to deconstruct. Why be mayor of a small city if you can be president of a country? Why be a lieutenant in someone else's army if you can be a general in your own? Of course, those calculations might be different if Azerbaijan, Moldova, and Georgia were strong, wealthy, or even marginally functional states, in which individuals in the separatist regions could see some advantage to reintegration. So far, however, life inside a recognized state (especially beyond the capital cities) is little different from life in one of the unrecognized ones. In some cases it is worse.

There is an obvious solution to this conundrum. Central governments could simply recognize the power of the separatist regions and opt for the maximum devolution of authority to them, in exchange for commitment to the existence of a single state. That has been the recommendation repeatedly put forward by the Russian Federation and generally supported by other external mediators, the idea of a final peace settlement based around the concept of a "common state" (*obshchee gosudarstvo*). As the Russian defense ministry's official history of these conflicts argues, the only possible course now is "the preservation of the existing de facto independent status of Abkhazia, Nagorno-Karabakh, and South Ossetia as juridically legitimate entities, as something like associated parts of internationally recognized states."[66] But even though this course might provide some diplomatic cover—a document that would allow the international community to claim that the conflicts had been "resolved"—it would do little to alter the basic structure of power. In fact, it would simply legitimize the continued division of these states into areas controlled by central governments and areas where their writ does not run. That may have been a workable solution in empires, where rebellious peripheral elites were granted tax-farming powers in exchange for loyalty to the center. It is not, however, a viable option for new, fragile, and allegedly democratizing states.

These dynamics call into question the academic lenses through which researchers have viewed the problems of intrastate war. Given

[66] Zolotarev (fn. 14), 395.

the Western policy interest in the Balkans and the Caucasus in the 1990s, the study of conflict in these regions became of serious interest to security studies and, by extension, to international relations as a whole. Research has typically focused on the dimensions of conflict research derived largely from confrontations between states, such as the security dilemma. But seeing ethnoterritorial confrontations as mainly a security problem can blind researchers to the deep political and economic incentives that sustain disputes and fossilize networks of war into institutions of de facto states. The lesson of Eurasia's unrecognized countries is that these mechanisms are precisely where one should look to explain the conflicts' intractability. In civil wars, as in politics, asking cui bono can be illuminating.