

*Sabine Fischer (ed.)*

# **Not Frozen!**

The Unresolved Conflicts over Transnistria,  
Abkhazia, South Ossetia and Nagorno-Karabakh  
in Light of the Crisis over Ukraine

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## **Not Frozen!**

### **The Unresolved Conflicts over Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh in Light of the Crisis over Ukraine**

In spring and summer 2014, Moscow's annexation of Crimea and the war in Donbas supplied the international community with a sudden reminder of the unresolved conflicts festering in the EU's eastern neighbourhood. Yet Germany and its EU partners have been too preoccupied with the crisis over Ukraine to take appropriate notice of dynamic developments in Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh.

The conditions for constructive regulation of these four conflicts have deteriorated steadily over the past two years at the local, national, regional and international levels. For Moldova the fighting in Ukraine presents considerable destabilisation risks on account of its proximity to Ukraine's contested regions. The country's own domestic and economic instability have led the Moldovan political elite to put conflict regulation on the back burner. The Transnistrian Moldovan Republic (TMR) finds itself in an existential dilemma between its uncompromising political orientation on Russia and its economic connectedness with Moldova, Ukraine and the EU. In Georgia fears and threat perceptions concerning Russia have grown again in the course of the geopolitical crisis, strengthening the wish for a closer relationship with NATO and the EU and reducing the apparent importance of the constructive conflict regulation pursued since 2012. The integration of Abkhazia and South Ossetia into Russia's political, economic and military space has progressed to a level close to the annexation threshold. Although there remain considerable differences between Abkhazia and South Ossetia, both de-facto states see shrinking room for manoeuvre in their relations with Moscow, Tbilisi and Western actors. The governments of Armenia (together with Nagorno-Karabakh) and Azerbaijan exploit the geopolitical confrontation to stabilise domestic authoritarianism, further cement their irreconcilable positions and shift blame for the lack of any progress to the international level. The escalation in April 2016 demonstrated yet again the fragility of the 1994 cease-fire.

The crisis over Ukraine and the geopolitical confrontation between Brussels and Moscow are not the only reasons for the deterioration in all four investigated conflicts since 2014. Conflict regulation is also undermined by a proliferating systemic crisis that is laying bare the political and economic deficits in all the region's states including Russia. This creates a vicious circle: The frozen conflicts prevent sustainable development of the affected states and societies, while political and economic instability in turn make constructive conflict regulation impossible.

Russia plays a central and highly ambivalent role in all four frozen conflicts. It is deeply implicated politically, militarily and economically, and

exploits the conflicts for its efforts to preserve and where possible expand its control over the internal and external affairs of the affected states. During the 1990s, Moscow's weakness meant it was still amenable to cooperation with Western actors, in order to prevent escalation and further destabilisation of its immediate neighbourhood. But from the Russian perspective, the mode shifted in the 2000s to competition over regional influence with NATO, the United States and the European Union. The perception of rivalry continued to escalate through to the outbreak of the crisis over Ukraine in 2014. At the latest since 2011/2012 the central objective of Russian foreign policy has been to secure the post-Soviet space as a Eurasian sphere of influence. That prioritisation is closely tied to the authoritarian turn in the Russian political system. Over the past decade-and-a-half the frozen conflicts have become an important instrument of an increasingly revisionist policy towards its neighbours. Here Moscow relies especially on its military presence in the conflict areas, on the distribution of Russian passports to their residents, and on political and economic support for state-building efforts in the secessionist territories.

The annexation of Crimea and the war in Donbas represent the first instance where Russia has actively instigated secessionist conflicts and formally annexed part of a neighbouring country. Yet Russian policy in all the other frozen conflicts has remained fundamentally unchanged: tactically adapted to the conflict structures, with the aim of keeping the affected neighbouring states in a state of controlled instability. Russian influence is greatest in Transnistria and South Ossetia, somewhat restricted by a strong desire for autonomy in Abkhazia, and weakest in Nagorno-Karabakh. Thus Moscow's control is smallest in the conflict which – also from its perspective – entails the greatest security risk. The differences in Russian influence over the conflicts suggest that the key to their resolution lies not solely in Moscow, but also with the respective conflict parties.

The crisis over Ukraine faces Germany and the EU with an unprecedented challenge – in a phase where their limited foreign policy and security capacities are stretched by multiple internal and external crises. The eastern neighbourhood contains an arc of conflicts that are interlinked at local, regional and international levels. The EU requires a strategy that takes account of these links as well as the specific structures of the individual conflicts. Consistent support for democratisation and economic development remain important for stabilising the affected states from within. But Berlin, Brussels and the EU partners must also develop a nuanced policy of conflict regulation capable of contributing to a peaceful long-term resolution of the conflicts. The short- to medium-term goals differ between the individual cases, ranging from preserving the possibilities for interaction (Transnistria) through de-isolation (Abkhazia and South Ossetia) to de-escalation and conflict prevention (Nagorno-Karabakh).

Substantial progress towards conflict resolution will be impossible without a fundamental shift in Russian politics, which is presently unforeseeable. Nonetheless, despite the deterioration in conditions, Germany and its European partners must work consistently to find constructive approaches

for regulating the conflicts. Cooperation with Moscow should be sought where it proves possible and does not undermine the EU's principles.

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**Map 1**  
**Unresolved conflicts in the eastern neighbourhood**





# Russian Policy in the Unresolved Conflicts

Sabine Fischer

With the annexation of Crimea and the war in Donbas, Russia has for the first time itself instigated secessionist conflicts with the objective of destabilising a neighbouring country. Observers regarded this as evidence that Moscow's revisionist line against the European order, pursued since 1989/90, had entered a new phase.<sup>1</sup> The way the annexation of Crimea was ideologically embedded in the discourse about reintegrating "New Russia/Novorossiia" suggests that Russia had now struck a course of systematic territorial expansion driven by nationalism.<sup>2</sup>

However, revisionist strands have characterised Russian policy in Eurasia ever since the collapse of the Soviet Union – with the ethno-political conflicts over Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh playing a special role. They damage the sovereignty and territorial integrity of the affected parent states, Moldova, Georgia and Azerbaijan. Russia is the central external actor and mediator in all the peace processes, yet at the same time its military presence and political involvement also make it a party to the conflicts. Since they appeared in the early 1990s, Moscow has used these conflicts as a lever to influence domestic and external developments in the affected states. Russian policy has to adapt to the specifics of each case, and therefore differs widely. Rather than following a revisionist masterplan, Moscow is pursuing "selective revisionism" governed by its own interests and the specific conflict constellation. This constant of Russian policy has remained fundamentally unchanged since the outbreak of the crisis over Ukraine. Even if there is currently no immediate danger of Moscow deliberately escalating any of the four frozen conflicts discussed here, its selective revisionism will continue to pose a considerable security risk in the region.

<sup>1</sup> Ivan Krastev, "Russian Revisionism: Putin's Plan for Overturning the European Order", *Foreign Affairs*, 3 March 2014, <https://www.foreignaffairs.com/articles/russia-fsu/2014-03-03/russian-revisionism> (accessed 9 May 2016); Tom Wright, *Deterrence and Great Power Revisionism*, GMF Policy Brief (Paris: German Marshall Fund of the United States [GMF], May 2015); Kornely Kakachia, *The Ukraine Crisis: Repercussions for Georgia*, PONARS Eurasia Policy Memo 349 (September 2014). See also Marcin Kaczmarek, *Russian Revisionism towards the West*, OSW Studies 33/2009 (Warsaw: Ośrodek Studiów Wschodnich [OSW; Centre for Eastern Studies], December 2009).

<sup>2</sup> "Novorossiia" designates the territories north of the Black Sea that were taken from the Ottoman Empire under Catherine I and subsequently integrated into the Russian Empire. Marlene Laruelle, "The Three Colors of Novorossiia, or the Russian Nationalist Mythmaking of the Ukrainian Crisis", *Post-Soviet Affairs* 32, no. 1 (2016): 55–74. However, the "Novorossiia" rhetoric quickly disappeared again from the public debate. Yuri Teper, "Official Russian Identity Discourse in Light of the Annexation of Crimea: National or Imperial?", *Post-Soviet Affairs*, July 2015, 12ff.

## The Russian Revisionism Discourse

The Russian leadership embeds its revisionist policy towards neighbouring states in an explanatory discourse on several interlocking levels. At the international level Russia sees itself facing a hegemonic Washington-led West seeking by all means to preserve the unipolar world order that emerged temporarily after the end of the Cold War.<sup>3</sup> In his famous speech to the Munich Security Conference in 2007, Vladimir Putin laid out his stance that the West and especially the United States accept the erosion and manipulation of international law and the violation of fundamental principles such as state sovereignty, undermine diplomacy and permit “uncontained hyper use of force”.<sup>4</sup> The Russian political elite has been convinced since the 1990s that international relations are not unipolar, as perceived by the West, but multipolar. In this multipolar world Russia claims the status of an autonomous power centre and demands equal treatment and respect for its interests from the United States and other Western actors.<sup>5</sup> The task of Russian politics is seen as countering Western unilateralism with a “democratic” international order and protecting international law from Western violations. From their perspective it is the West, not Russia, that is pursuing revisionism.<sup>6</sup>

In Europe, too, Russia sees itself as a status-quo power. Moscow has long complained that Cold War divisions have persisted in Europe – and indeed shifted eastwards to its detriment – rather than establishing unity and security for all.<sup>7</sup> With reference to its asserted position as a major international power and historical hegemon in the post-Soviet space, Russia claims the role of the region’s “natural integration centre”.<sup>8</sup> The expansion of Western influence is perceived as a direct threat to Russia’s “privileged interests”.<sup>9</sup> As Fedor Lukyanov explains, in the eyes of Russia’s political elite the West has been pursuing ideological, value-based revisionism ever since the Helsinki Final Act: “The West switched to a course of accelerated

<sup>3</sup> Vladimir Putin, “Obrashchenie Prezidenta Rossiyskoy Federatsiy” [Address by the President of the Russian Federation], 18 March 2014, <http://kremlin.ru/events/president/news/20603> (accessed January 2016).

<sup>4</sup> Vladimir Putin, “Vystuplenie na Myunchenskoy konferenciy po voprosam politiki bezopasnosti” [Speech at the Munich Security Conference], 10 February 2007, <http://kremlin.ru/events/president/transcripts/24034> (accessed January 2016).

<sup>5</sup> Vladimir Putin, “Vystuplenie”, *ibid.*

<sup>6</sup> Sergey Lavrov, “Vystuplenie na vstreche s chlenami Rossiyskogo soveta po mezhdunarodnym delam” [Speech at a meeting of the Russian Foreign Affairs Council], Moscow, 4 June 2014, [http://archive.mid.ru//brp\\_4.nsf/0/v412C7BA2A5A1E66544257CED0059D4DF](http://archive.mid.ru//brp_4.nsf/0/v412C7BA2A5A1E66544257CED0059D4DF) (accessed January 2016).

<sup>7</sup> Vladimir Putin, “Rede im Deutschen Bundestag”, 25 September 2001, [https://www.bundestag.de/kulturundgeschichte/geschichte/gastredner/putin/putin\\_wort/244966](https://www.bundestag.de/kulturundgeschichte/geschichte/gastredner/putin/putin_wort/244966) (accessed January 2016).

<sup>8</sup> V. Shishkov, “Politika Rossii na postsovetskom prostranstve” [Russia’s policy in the post-Soviet space], in *Rossiya i novye gosudarstva Evrazii* [Russia and the new Eurasian states], no. 1 (2015): 38–49 (39).

<sup>9</sup> “Intervyu Dmitriya Medvedeva telekanalam ‘Rossiya’, Pervomu, NTV”, 31 August 2008, <http://archive.kremlin.ru/text/appears/2008/08/205991.shtml> (accessed January 2016).

ideologisation (value-based approach) and de facto revisionism. Rather than questioning geopolitical divisions, however, the adversary's socio-political model itself was challenged. [...] The West claims to be defending the status quo, but understands this as the incessant expansion of its own sphere of influence, because to its eyes order is synonymous with the successive dissemination of the liberal model."<sup>10</sup> In order to respond and protect its sphere of influence, Russia sees itself, as the leading Eurasian power, forced from time to time "to jettison precisely those unshakeable rules that were formulated forty years ago [the Helsinki Final Act]".<sup>11</sup>

So, at the international and European level, Russia sees itself resisting an order imposed by the West that, from the Russian perspective, contradicts the realities of the international system. Western policy is criticised as revisionist on the grounds that it changes international and regional power relations and challenges both Russian interests and the traditional Russian sphere of influence. As the dominant regional power, Russia at the same time asserts the right to impinge upon the sovereignty and territorial integrity of its neighbours, where this serves the greater goal of countering the expansion and strengthening of the Western model and order. In this understanding, revisionist policies towards its Eurasian neighbours become a legitimate means for Russia to repel Western value-based revisionism.

The official Russian discourse thus remains confined within the historical frame of reference of the Soviet empire. Even if Russia is not seeking the establishment of a classical, territorially defined empire, its efforts to guard its own security consist largely in controlling its neighbours' domestic and foreign policies. The independence of its post-Soviet neighbours – which it accepted (willingly or not) in the first decade-and-a-half after the collapse of the Soviet Union – has been frequently called into question since the mid-2000s, at the latest with the Kremlin's recognition of Abkhazia and South Ossetia. The different historical points of reference also supply the key to understanding the mutual accusations of revisionism. Whereas the Russian discourse draws on the imperial Russian and Soviet past and implicitly denies other post-Soviet states the right to internal and external sovereignty, the Western discourse rests on the European system of the Charter of Paris and the sovereign right of all European states to choose their alliances freely and independently. In that context, the processes of NATO and EU enlargement in the 1990s and early 2000s are not to be understood as revisionist, because they came about at the initiative of the new member states – and in fact overstretched both organisations. Russian policy denies its neighbours that freedom and is therefore certainly revisionist in the sense of the Paris Charter, which Russia has not to date renounced.

<sup>10</sup> Fedor Lukyanov, "Konservatory i revisionisty" [Conservatives and revisionists], *Gazeta.ru*, 30 July 2015, <http://www.gazeta.ru/comments/column/lukyanov/7662353.shtml> (accessed January 2016). See also Richard Sakwa, "The Death of Europe? Continental Fates after Ukraine", *International Affairs* 91, no. 3 (2015): 553–79 (571ff.).

<sup>11</sup> Lukyanov, "Konservatory i revizionisty", *ibid.*

## Revisionist Elements of Russian Policy in the Frozen Conflicts

In the following, those elements of Russian policy in the frozen conflicts that call into question the sovereignty and territorial integrity of the affected states are classed as revisionist. The recognition of Abkhazia and South Ossetia and the annexation of Crimea are the most extreme cases of Russian revisionism to date. But below that level a series of revisionist elements has characterised Russian policy since the collapse of the Soviet Union. These elements did not appear in the same combinations and intensities in all the various conflicts. Instead, the degree to which they influenced Russian policy depended on two factors: Firstly, the application of revisionist means in the unresolved conflicts must be seen in the context of the overall development of Moscow's policy in Eurasia following the collapse of the Soviet Union. Secondly, the differences between the conflicts have a major influence on the extent to which revisionist elements have been applied and the degree to which they have been effective.

### Military Presence/Military Intervention

As the legal successor to the Soviet Union, Russia also assumed responsibility for the Soviet armed forces in 1992 – at the time specifically for their dissolution. This gave it control over military bases and weapons stocks throughout the entire territory of the former Soviet Union.<sup>12</sup> The greatly weakened Russian state initially struggled to control and fund its armed forces. Former Soviet soldiers fought as mercenaries on all sides in the territorial conflicts that erupted during this phase in Moldova, Georgia, Azerbaijan and Tajikistan, and Soviet-era stocks fed a lucrative arms trade with the conflict parties.<sup>13</sup> In these ways the armed forces contributed greatly to the escalation of the secessionist wars.

Moscow quickly began instrumentalising the wars for its own political interests. In the armed conflicts over Abkhazia and Nagorno-Karabakh, Russian military support for the Abkhazians and for the Armenian side in the Nagorno-Karabakh conflict grew increasingly systematic as time went on. The objective was to put pressure on Georgia and Azerbaijan: ultimately, both joined the Commonwealth of Independent States (CIS) and accepted Russian military bases remaining on their territory.<sup>14</sup> Russia's dominant position as sole mediator and the stationing of Russian peacekeeping

<sup>12</sup> Carolina Vendil Pallin, *Russian Military Reform: A Failed Exercise in Defence Decision Making*, (London and New York, 2009), 74f.

<sup>13</sup> See for example Thomas de Waal, *Black Garden: Armenia and Azerbaijan through Peace and War* (New York and London 2003), 202ff. According to Charles King, the 14th Army acted from the outset more as TMR's protector than as a neutral peace-keeping force. Charles King, *The Moldovans: Romania, Russia, and the Politics of Culture* (Stanford, 2000), 193ff.

<sup>14</sup> Celeste Wallander, "Conflict Resolution and Peace Operations in the Former Soviet Union: Is There a Role for Security Institutions?", in *The International Dimension of Post-Communist Transitions in Russia and the New States of Eurasia*, ed. Karen Dawisha (Armonk, 1997): 101–22 (104ff.).

### Russian Policy in Eurasia

Russia's objective in Eurasia is to stabilise and expand its asserted regional sphere of influence. There are three pillars to Russian policy.

*Firstly*, Moscow seeks the economic and political integration of its post-Soviet neighbours. Since the 1990s there have been numerous unsuccessful attempts to intensify cooperation in the region and deepen integration. After Vladimir Putin returned to the Kremlin in 2012, Russian policy concentrated on the Eurasian Economic Union, which was founded in 2015 and includes Armenia, Belarus, Kazakhstan and Kyrgyzstan, as well as the Russian Federation.<sup>a</sup> Security cooperation between Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan takes place through the framework of the Collective Security Treaty Organisation (CSTO).<sup>b</sup>

*Secondly*, Russia developed "soft power" instruments to expand its influence in the region.<sup>c</sup> These include nurturing relationships with Russian and Russian-speaking communities outside the Russian Federation through various channels. The state agency Rossotrudnichestvo runs offices not only in neighbouring states, but also in Abkhazia and South Ossetia.<sup>d</sup> Its tasks include promoting Russian culture and language, protecting Russian historical heritage, supporting Russians living abroad, and strengthening their ties to Russia.<sup>e</sup> The World Congress of Compatriots Living Abroad has been held in Russia every three years since 2001, bringing delegations from Russian diaspora communities across the world, above all from Eurasia, together with leading Russian politicians.<sup>f</sup> The Congress is also closely connected with Russian government structures. Another important factor in Russian "soft power" is the Russian mass media, which dominate the information space far beyond the borders of the Russian Federation and exert significant influence on opinion in neighbouring post-Soviet states.

<sup>a</sup> Nicu Popescu, *Eurasian Union: The Real, the Imaginary and the Likely*, EUISS Chaillot Paper 132/2014 (Paris: European Union Institute for Security Studies [EUISS], September 2014).

<sup>b</sup> Johan Norberg, *High Ambitions, Harsh Realities: Gradually Building the CSTO's Capacity for Military Intervention in Crises*, FOI Report 3668 (Stockholm: Totalförsvarets forskningsinstitut [Swedish Defence Research Agency, FOI], May 2013).

<sup>c</sup> Valentina Feklyunina, "Soft Power and Identity: Russia, Ukraine and the 'Russian World(s)'" , *European Journal of International Relations*, 2015, 12, 9ff.

<sup>d</sup> Abkhazia branch: <http://abh.rs.gov.ru>, South Ossetia branch: <http://rso.rs.gov.ru>.

The Rossotrudnichestvo representation in Moldova is responsible for TMR:

<http://mda.rs.gov.ru>.

<sup>e</sup> Rossotrudnichestvo: <http://rs.gov.ru/activities>.

<sup>f</sup> World Congress of Compatriots Living Abroad: <http://vksrs.com>. The parastatal foundation Russkiy Mir" [Russian World] serves a similar function, but concentrates geographically on the non-post-Soviet states. Marlene Laruelle, *The "Russian World": Russia's Soft Power and Geopolitical Imagination* (Washington, D.C.: Center on Global Interests [CGI], May 2015), 14.

### **Russian Policy in Eurasia (ctd.)**

*Thirdly*, Russian policy in Eurasia resorts to coercion. Economic pressure (above all via energy, which is vital for many neighbours), economic sanctions, and increasingly also military force are used against states that seek to escape Russia's efforts for influence and integration.

Many of the "soft" instruments Russia uses in its relations with its Eurasian neighbours are also found in the foreign policies of other states. Activities such as working for regional integration and promoting the national language and culture abroad do not per se represent a threat to the sovereignty of other states. But that can change where a position of regional dominance is asserted, and with it the right to interfere in the sovereign affairs of neighbours.

Russia's sphere of influence policy dates back to the 1990s. But at first the Russian state was too weak to pursue a consistent policy towards its so-called "near abroad". The situation only changed in the first half of the 2000s, when Russia stabilised economically and politically.

Moscow's increasingly assertive policy towards its neighbours was also rooted in a fundamental transformation of the Russian political elite's security perception. In the 1990s neighbourhood instability was regarded as the most important source of security risks, with the unresolved conflicts playing an important role. In this phase, Russian policy was directed towards containing escalation risks as well as securing influence. But from the turn of the century the growing weight of Western actors in the region moved to the centre of Russian perception as the main security threat, and competition with them became the leit-motif of Russian policy. Moscow now increasingly instrumentalised its neighbours' vulnerability to counter Western influence, with the existing unresolved conflicts representing one aspect of that development.

Foreign policy also increasingly serves the authoritarian political leadership in Moscow as a source of domestic political legitimacy. A majority of Russians approves of the leadership seeking to restore international respect as a major power. But the linkage of internal and external policy also works in the opposite direction. The political regime asserts that it is protecting Russian society from harmful external influences, with its efforts supported by a majority in society. Following the colour revolutions in Georgia and Ukraine in 2003 and 2004, the Euromaidan in 2014 greatly amplified these trends.

forces in Transnistria, Abkhazia and South Ossetia cemented the new territorial divisions and secured Russian influence over the conflict parties. While no peacekeepers were deployed to Nagorno-Karabakh, Russian military bases remained in both Armenia and Azerbaijan.<sup>15</sup>

<sup>15</sup> The last Russian military base in Azerbaijan, the Gabala radar station, was returned to Baku in 2012.

During the 1990s Russia regarded instability in neighbouring post-Soviet states as a dangerous threat to its already weakened state. Moscow feared that the conflicts could escalate beyond the local framework and – for example in the case of Abkhazia – have a direct destabilising effect in the Russian North Caucasus.<sup>16</sup> Although by this stage Russia was already using the conflicts to exert selective pressure on neighbouring states, its policy was nonetheless directed towards ending the wars and stabilising the situation on its borders.<sup>17</sup> While the Yugoslav Wars were absorbing the West's attention, Moscow found itself holding a kind of monopoly as guarantor of cease-fire agreements. At the same time, Russia and Western actors were still able to agree on UN and OSCE missions to observe the Russian peacekeepers in Moldova and Georgia and to cooperate on monitoring the Nagorno-Karabakh conflict through the Minsk Group.

This was to change at the beginning of the 2000s. At the 1999 Istanbul OSCE summit, Russia agreed to withdraw its forces from Moldova and Georgia. But unlike Chişinău and Tbilisi, Moscow excluded the Russian peacekeeping forces from this obligation. Especially now that there were no longer any Russian military bases on uncontested Moldovan and Georgian territory, the Russian peacekeeping troops in Moldova and Georgia became much more important for Moscow, particularly in a situation of deteriorating relations with the West following the Kosovo War of 1999. The colour revolutions and the emerging discussion about NATO membership for Ukraine and Georgia hardened the fronts. While Chişinău and Tbilisi increasingly regarded the Russian-dominated peacekeepers as de facto occupying forces, Moscow saw them fulfilling the function of a military bulwark against NATO expansion.<sup>18</sup>

The Russo-Georgian War of 2008 was another step on the road to militarisation of Russian policy in its Eurasian neighbourhood.<sup>19</sup> Although the fighting actually began with a Georgian assault on Tskhinval/i,<sup>20</sup> Russia had spent the years leading up to the conflict preparing for this eventuality by concentrating forces on its southern border and conducting regular exercises. After the war ended, Russia established regular military bases in Abkhazia and South Ossetia under its new formal alliances with the two entities. The International Institute for Strategic Studies (IISS) estimates that about seven thousand Russian soldiers were based in Abkhazia and

**16** On the close connections between the Abkhazia conflict and conflicts in the Russian North Caucasus, see Oksana Antonenko, "Frozen Uncertainty: Russia and the Conflict over Abkhazia", in *Statehood and Security: Georgia after the Rose Revolution*, ed. Bruno Coppeters and Robert Legvold (Cambridge, 2005), 205–70 (217f.).

**17** Wallander, "Conflict Resolution" (see note 14), 118.

**18** Security considerations relating to Islamist terrorism in the North Caucasus and its connections to the Middle East also play an important role in the South Caucasus.

**19** Roy Allison, "Russia Resurgent? Moscow's Campaign to 'Coerce Georgia to Peace'", *International Affairs* 84, no. 6 (2008): 1145–1171 (1170).

**20** In many cases the parties use different versions of place names. While Abkhazia and South Ossetia use the standard Russian variants, such as Sukhum, Tskhinval and Gal, the Georgian equivalents are Sukhumi, Tskhinvali and Gali. This publication uses status-neutral alternatives: Sukhum/i, Tskhinval/i, Gal/i.

South Ossetia in 2015.<sup>21</sup> Cooperation with the UN and OSCE was broken off: both missions had to cease operations after failure to agree on terms for extending their mandates. Since then there has been no international observation of Russia's military activities in Abkhazia and South Ossetia.

The poor performance of the Russian army in the Russo-Georgian War persuaded the political and military leadership to initiate a comprehensive overhaul of the armed forces. The post-2008 reforms professionalised personnel, command and leadership structures and invested in modernising weapons systems and technical equipment in all branches. Strategically the armed forces remained focused primarily on power projection in the neighbourhood and adjacent regions (Middle East, Asia) and on defence against threats from the West.<sup>22</sup> Exercises and technical improvements enhanced troop mobility and special forces capabilities. New hybrid warfare capacities were also developed and improved. Bases in eastern Europe, the South Caucasus and Central Asia are an important factor for the ability of Russian forces to deploy rapidly in the neighbourhood. These also include the Russian contingents in Abkhazia and South Ossetia and the peacekeeping forces in Transnistria. The "successful" annexation of Crimea in March 2014 and the war in Donbas are outstanding examples for the militarisation of Russian Eurasia policy. Russia's annexation of Crimea and expanded military presence there strengthens its strategic position in the Black Sea.

### Support for State-building and Political Influence

For a long time the Western discourse was dominated by the idea that the conflicts over Transnistria, Abkhazia and South Ossetia would be determined by the conflict between Russia and the respective parent states Moldova and Georgia, and these in turn by the overarching geopolitical conflict between Russia and the West.<sup>23</sup> This interpretation externalised developments in the conflict areas and attributed them exclusively to the acts and interests of outside actors, with no weight of their own.<sup>24</sup> Conversely, this led to an assumption that the end of the overarching geopolit-

<sup>21</sup> The International Institute for Strategic Studies (IISS), *The Military Balance* (London, 2015), ch. 5: "Russia and Eurasia", 180.

<sup>22</sup> Johan Norberg, *Training to Fight – Russia's Major Military Exercises 2011–2014*, FOI Report 4128 (Stockholm: FOI, December 2015), 61; Gudrun Persson, "Security Policy and Military Strategic Thinking", in *Russian Military Capability in a Ten-Year Perspective – 2013*, ed. Jakob Hedenskog and Carolina Vendil Pallin, FOI Report 3734 (Stockholm: FOI, December 2013), 71–88 (83ff.).

<sup>23</sup> The Nagorno-Karabakh conflict differs structurally from the other unresolved conflicts in the sense that the regional adversaries are Armenia and Azerbaijan, with Russia involved indirectly through Armenia.

<sup>24</sup> Sergey Markedonov, "De Facto Statehood in Eurasia: A Political and Security Phenomenon", *Caucasus Survey* 3, no. 3 (2015); Laurence Broers, "The Politics of Non-Recognition and Democratization", in *The Limits of Leadership: Elites and Societies in the Nagorno-Karabakh Peace Process*, ed. Laurence Broers (London, 2005), 68–71; Nina Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System* (Cambridge, 2012).



ical conflict would also cause the secession conflicts – and the de facto states they had produced – to disappear.

The parent states in the South Caucasus, Georgia and Azerbaijan, take a similar view. From their perspective interaction with political institutions and actors in the contested areas would be tantamount to at least limited recognition. This dilemma places narrow limits on the activities of international state and non-state actors in the de facto states: they generally restrict their activities in the contested territories to the civil society and humanitarian level, and avoid any approach that could be interpreted as support for good governance, democratisation and economic development, and thus for state-building processes. Even academic research on internal developments in the de facto states is sometimes regarded critically in the parent states.

Without Russian support it would never have been possible to create elements of statehood in the secessionist entities, such as political institutions, administrations and secured borders. But those are not the only conditions for the existence of de facto states. The analytical focus on the geopolitical context obscures great differences in the role Russia plays in developing state structures and the extent of differences in the form and scope of Russian influence in the territories.

Russia supported the establishment of state structures in Transnistria, Abkhazia and South Ossetia on two levels: Firstly, by strengthening the separatists militarily, deploying peacekeeping forces and assuming a central role in the respective peace processes, usually to bolster the position of the secessionist entities vis-à-vis the parent states. Thus it was Russia's role as security guarantor that in fact created the external conditions for the establishment of state structures in the contested territories.<sup>25</sup> Secondly, Russia granted – to greatly varying extents – economic and financial aid and political support for establishing these structures. Already in the 1990s nationalist-leaning Russian actors were arguing for an active policy of strengthening the secessionist entities and binding them more closely to Russia.<sup>26</sup> One prominent example is former Moscow Mayor Yury Luzhkov, who was one of the first to call for the recognition of Abkhazia.<sup>27</sup> He began expanding his business activities there long before Russia lifted its economic embargo in early 2008. Such figures frequently played an active role within the de facto states themselves, establishing close contacts with

<sup>25</sup> At the same time, however, this policy also has limits. For example in 2008 Russia failed to persuade its Eurasian allies to recognise Abkhazia and South Ossetia, and has since ceased even trying. Nor is it acting to meet the wishes of the TMR, Abkhazia and South Ossetia for accession to the Eurasian Economic Union (EEU), as this would require the other members to recognise the three de facto states. On the other hand, Abkhazia and South Ossetia participate de facto in Eurasian economic integration through their growing integration in the Russian economy.

<sup>26</sup> Antonenko, "Frozen Uncertainty: Russia and the Conflict over Abkhazia" (see note 16).

<sup>27</sup> "Luzhkov priznal Abkhaziyu samostoyatelnyim gosudarstvom" [Lushkov recognises Abkhazia as independent state], *News.Ru*, 20 June 2006, <http://www.newsru.com/arch/russia/20jul2006/luzhkov.html> (accessed February 2016).

the local ruling elites and – not least for their own business interests – exerting influence on political processes.

Furthermore, the Russian political system, legislation, political parties and institutions represented (and continue to represent) the model for the development of state structures in the contested territories.<sup>28</sup> This led to political structures becoming progressively intertwined. For example, parties modelled on, and in close contact with, the Russian governing party United Russia formed in the de facto states. Economic ties are also intense, with Abkhazia and South Ossetia using the Russian rouble as their main currency; in the TMR it possesses the status of second currency. On account of their Russian citizenship, large parts of the populations of these areas draw pensions and other social benefits from Russia. The schools use Russian textbooks. And because not all the territories possess functioning education systems, many young people go to Russia to train or study.

In Transnistria and South Ossetia the desire for independence is closely tied to a wish for unification with Russia. The Russian and/or Russian-speaking populations in the TMR have strong ties with Russia; the Ossetians in South Ossetia identify with the Republic of North Ossetia in the Russian North Caucasus. Both Transnistria and South Ossetia have adopted the Russian political model with the objective of integration into the Russian Federation. But Russia has to date resisted these overtures. Moscow officially adheres to its line of upholding Moldova's territorial integrity and even stood by that stance at the beginning of the crisis over Ukraine, when Russian political actors propagating "Novorossiia" awakened hopes of imminent annexation in Tiraspol. Transnistria's complex geographical situation would make an annexation on the Crimean model costly and risky for Russia. Nor has the Kremlin to date responded directly to Tskhinvali's request for incorporation, even though the shared border and close ties between South and North Ossetia would favour its fulfilment. If Moscow were to concede the South Ossetian and Transnistrian demands it would lose an important lever of influence over Moldova and Georgia.

Unlike in the TMR and South Ossetia, Abkhazia demonstrates a clear will to limit Russian influence and considerable mistrust towards Russian moves to intervene in the implementation of its claim to sovereignty. Although a majority of the territory's population also possesses Russian citizenship, ethnic identification with the northern neighbour is weak in the dominant Abkhaz population group. Moscow in turn regularly expresses concerns over possible discrimination of Russians in Abkhazia, and has repeatedly failed in attempts to enforce its interests without heed to Abkhaz positions. Russia has therefore found itself forced to operate more cautiously in Abkhazia, for instance during the political crisis in May/June 2014 and the debate over the agreement on alliance and strategic partnership. Like in South Ossetia however, Abkhazia's political, economic and societal integration with Russia has advanced steadily since 2008. With the

<sup>28</sup> Pål Kolstø, "Transnistria Is a Bridge too Far for Russia", *Open Democracy*, 11 June 2014.

economic and military agreements concluded since 2014 the threshold to de facto annexation has now been reached.

Nagorno-Karabakh is a special case in relation to statehood and Russian political influence. Russia played an important role in the early phase of the conflict. Later, however, it was Armenia that gradually assumed the function of Nagorno-Karabakh's political, economic and societal patron. At the same time the territory represents a touchstone of national identity for the Armenian elites and society. Integration of the political elites of Nagorno-Karabakh and Armenia has certainly led to reciprocal political influence. While Armenia is economically and militarily more or less completely dependent on Russia, Russian influence on Nagorno-Karabakh is considerably more limited than in TMR, Abkhazia or South Ossetia.

### Citizenship/Passportizatsiya

Granting citizenship of the Russian Federation to residents of the contested territories, or "passportisation" (*passportizatsiya*), represents a central element of Russian policy in the unresolved conflicts. The use of this instrument became established after 2002, and was boosted in South Ossetia and Abkhazia after the Russo-Georgian War of 2008; in the meantime almost all members of these two titular nations are Russian nationals.<sup>29</sup> Russian passports have also been issued to residents of Transnistria since 2002, although the proportion of Russian citizens there is smaller than in Abkhazia and South Ossetia.<sup>30</sup> On this question, too, Nagorno-Karabakh looks in the first place to Armenia.

The question of granting citizenship to Russians and Russian-speakers living abroad has characterised Moscow's policy in Eurasia since the collapse of the Soviet Union. It is an expression of the geopolitical conflict, but also of the identity conflict that arose when the Soviet state disappeared leaving twenty-five million Russians and Russian-speakers living outside the borders of the Russian Federation. For a long time the naturalisation question was highly controversial in Russia.<sup>31</sup> In the 1990s Russia sought

<sup>29</sup> The Georgian population was driven out of South Ossetia during and after the Russo-Georgian War of 2008, leaving Ossetians representing almost 100 percent of the shrinking total population. The situation is more complex in Abkhazia, where Abkhaz make up only about 30 percent of the overall population. Whereas almost 100 percent of Abkhaz have taken Russian citizenship, the figure for Armenians is somewhat smaller. The Georgian population of the Gal'i district in eastern Abkhazia is excluded from Russian naturalisation. Franziska Smolnik, *Secessionist Rule: Protracted Conflict and Configurations of Non-state Authority* (Frankfurt and New York: Campus, 2016).

<sup>30</sup> It is estimated that 200,000 Russian passports have been issued in the TMR, so less than half its 500,000 inhabitants possess Russian citizenship. The others hold Moldovan or Ukrainian nationality (200,000 and 100,000 respectively). It can be assumed that many inhabitants possess two or three different passports. The idea of opening a Russian consulate in Tiraspol has been discussed in Moscow since the 2000s, but not followed through out of consideration for Chişinău.

<sup>31</sup> Oxana Shevel, "The Politics of Citizenship Policy in Post-Soviet Russia", *Post-Soviet Affairs* 28, no. 1 (2012): 111–47.

to persuade its post-Soviet neighbours to introduce dual citizenship for ethnic Russians and Russian-speakers outside the borders of the Russian Federation. But precisely those states with the largest Russian populations (Ukraine, Belarus, Kazakhstan) rejected the Russian initiative, not least over fears for their sovereignty.<sup>32</sup>

In 2002 Russia tightened the conditions for naturalisation, but until 2009 retained a simplified procedure for citizens of post-Soviet states.<sup>33</sup> As Moscow subsequently expanded and refined its policy of “protecting” Russians and Russian-speakers abroad, residents of South Ossetia, Abkhazia and Transnistria benefited from the simplified naturalisation process. In the Georgian case, the Tagliavini Commission found in 2009 that the wholesale issuing of Russian passports to residents of South Ossetia and Abkhazia before the 2008 war satisfied the definition of collective naturalisation and as such contravened international law.<sup>34</sup>

Especially for citizens of Abkhazia and South Ossetia, a Russian passport remains the only option for escaping their isolation and achieving a modicum of mobility.<sup>35</sup> Russia’s passportisation policy of the 1990s and early 2000s therefore represented an element of humanitarian assistance, alongside the aspect of social and political control.<sup>36</sup> But at the latest from the mid-2000s it also lent support to assertions that Moscow shared responsibility for the fate of Russian fellow-citizens in the de facto states.<sup>37</sup> In the 2008 war with Georgia, Russia now justified its intervention with the need to protect compatriots in South Ossetia.<sup>38</sup>

In February 2014, and thus before the crisis over Ukraine broke out, Moscow passed new legislation again easing restrictions on the naturalisa-

<sup>32</sup> Igor Zevelev, “Russia’s Policy toward Compatriots in the Former Soviet Union”, *Russia in Global Affairs*, no. 1 (2 March 2008), [http://eng.globalaffairs.ru/number/n\\_10351](http://eng.globalaffairs.ru/number/n_10351) (accessed January 2016).

<sup>33</sup> For the legal details see Independent International Fact-Finding Mission on the Conflict in Georgia (IIFFMCG), *Report*, vol. II, September 2009, 165f.

<sup>34</sup> *Ibid.*, 171.

<sup>35</sup> Mobility has always been a central point of contention in the peace talks between Georgia, Abkhazia and South Ossetia. Sukhum/i and Tskhinval/i reject Tbilisi’s demands that residents of both areas travel only via Georgia with Georgian documents. The parties have to date failed to find an arrangement acceptable to all sides.

<sup>36</sup> Vincent Artman, “*Passport Politics: Passportization and Territoriality in the De Facto States of Georgia*”, master’s thesis (Oregon: University of Oregon, 2011), 108. Residents of Nagorno-Karabakh prefer Armenian passports in order to be able to travel abroad. “Noviy zakon ‘O grazhdanstve’ Nagornogo Karabakha predusmatrivaet institut dvoynogo grazhdanstva” [New Nagorno-Karabakh citizenship law permits dual citizenship], *Kavkazskiy Uzel*, 19 December 2008, <http://www.kavkaz-uzel.ru/articles/145997/> (accessed February 2016). Many residents of TMR have Moldovan and/or Romanian passports as well as Transnistrian, and therefore did not necessarily need Russian passports.

<sup>37</sup> See for example “Mezhdunarodnaya Konferentsiya ‘parallelnoe SNG’: Abkhaziya, Pridnestrove, Yuzhnaya Ossetiya i Nagorno Karabakh kak realii postsovetskogo prostranstva” [International Conference “Parallel CIS”. Abkhazia, Transnistria, South Ossetia and Nagorno-Karabakh as facts of post-Soviet space], *Materik.ru*, 14 September 2005.

<sup>38</sup> “Intervyu Dmitriya Medvedeva” (see note 9).

tion of Russian-speaking citizens of other post-Soviet states.<sup>39</sup> While this legislation was aimed primarily at Ukraine, the number of Russian passports issued in Transnistria also increased.<sup>40</sup> While those living in Crimea were quickly given Russian citizenship from summer 2014, following the annexation,<sup>41</sup> Moscow has to date held back on granting citizenship to those living in the “people’s republics” of Donetsk and Luhansk.<sup>42</sup> Nevertheless, the new legislation lowers the obstacles to further instrumentalisation of Russian citizenship in future conflicts with neighbouring states.<sup>43</sup>

The naturalisation of other states’ citizens does not per se represent a violation of their sovereignty. But if it is conducted on a massive scale and those naturalised retain their residence abroad, it can produce a sovereignty conflict.<sup>44</sup> In Russia’s Eurasia policy, passportisation transformed from early efforts to find a suitable way of dealing with millions of Russians living in the newly independent post-Soviet states into an instrument of revisionist policy towards affected neighbouring states. Moreover, the Russian discourse blurs the distinction between actual Russian citizens, ethnic Russians and Russian-speakers, thus opening up further opportunities for Moscow.

### Economic Support and Cooperation

Russia is of outstanding economic importance for the de facto states. At the same time, however, the extent of their dependency differs according to their own economic capacities and level of development.<sup>45</sup> While Transnistria, Abkhazia and Nagorno-Karabakh all possess more or less functioning economic structures, the South Ossetian economy is not viable on its own.

Russian energy subsidies are crucial for industrial Transnistria, and benefit (partly Russian-owned) industry, the political and business elites, as well as private consumers. Russia also supplies direct financial aid in the

<sup>39</sup> “Dlya zhitely SNG uprostyat protseduru polucheniya rossiyskogo grazhdanstva” [Russian naturalisation process simplified for CIS citizens], *Interfaks*, 27 February 2014, <http://www.interfax.ru/russia/361446> (accessed January 2016). “Zakon ob uproshchennom poryadke polucheniya grazhdanstva RF russkoyazychnymi innostrantsami odobren Sove-tom Federatsii” [Federation Council approves law easing naturalisation for Russian-speaking foreigners in the Russian Federation], *Garant.ru*, 17 April 2014.

<sup>40</sup> “Zhizn v kleshchach” [Life in a tight spot], *Kommersant*, 23 June 2015.

<sup>41</sup> Crimea was reported fully “passportised” in December 2014. “FMS zavershila vydachu rossiyskikh pasportov zhitelyam Kryma” [Federal Migration Service completes issuing of Russian passports to residents of Crimea], *Kommersant*, 19 December 2014.

<sup>42</sup> “Zhitelyam Donbassa mogut nachat razdavati rossiyskie pasporta” [Russian passports may be issued to residents of Donbas], *Gazeta.ru*, 12 August 2015, [http://www.gazeta.ru/politics/2015/08/11\\_a\\_7682225.shtml](http://www.gazeta.ru/politics/2015/08/11_a_7682225.shtml) (accessed February 2016).

<sup>43</sup> “Zhizn v kleshchach” (see note 40).

<sup>44</sup> OSCE High Commissioner on National Minorities, *The Bolzano/Bozen Recommendations on National Minorities in Inter-State Relations and Explanatory Note* (The Hague, June 2008), <http://www.osce.org/hcnm/33633?download=true> (accessed February 2016).

<sup>45</sup> I am grateful to Alexander Libman for his helpful comments on economic development in the de facto states.

form of pensions and social benefits for Russian passport-holders. Because the administrative line between Moldova and Transnistria is permeable, Tiraspol maintains the most diverse external economic relations of all the de facto states. In fact, most of the TMR's exports go to Moldova and the European Union. Moscow raised no objections when the Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Moldova was expanded to include Transnistria in December 2015. One consequence will be to preserve TMR's economic openness.

Until the Russo-Georgian War of 2008, South Ossetia, which is economically strongly underdeveloped, conducted agricultural trade with both North Ossetia and Georgia. But its unclarified political status meant that its main sources of revenue were smuggling and black marketeering. Not until 2006 did Moscow join the economic reconstruction programme coordinated by the OSCE. After the Russo-Georgian War of 2008, South Ossetia successively integrated into the Russian economic space but without any tangible domestic economic development of its own. Corruption, a shrinking population and infrastructure damage have restricted economic activity to a minimum.

Until August 2008 Abkhazia was economically cut off on all sides, and almost completely dependent on remittances, smuggling and black marketeering with Russia and Turkey. Russia supported the economic embargo imposed in 1996 by CIS at Georgian instigation. It relaxed its stance from the early 2000s, but only officially lifted the CIS embargo in February 2008. Following recognition, Russia became Abkhazia's most important source of economic aid and investment. Apart from its strategic military importance on the Black Sea, Abkhazia possesses several economic attractions from the Russian perspective. Russian firms are investing in Abkhaz tourism infrastructure, while the Russian oil company Rosneft is conducting test drilling off the Abkhaz Black Sea coast. At the same time, Sukhum/i's efforts to place limits on Russian economic engagement regularly create rancour. In 2015 only a small proportion of the originally agreed Russian financial aid and investment actually reached Abkhazia. While this was attributed in part to the Russian recession, it was also suspected that Moscow was exerting political pressure on Abkhazia.

Nagorno-Karabakh is intimately tied to Armenia economically as well as politically and militarily. Since Armenia is in turn highly economically dependent on Russia, one can justifiably speak of an indirect Russian subsidisation of Nagorno-Karabakh in the guise of low energy prices, remittances etc.

Russian economic engagement in the de facto states does not automatically represent a violation of the sovereignty of the parent states. For example, Transnistrian exports to Russia are covered by intergovernmental agreements, while until 2008 Russian investments in South Ossetia were secured multilaterally under OSCE arrangements. In other cases, such as Abkhazia and South Ossetia post-2008, the violation of sovereignty is obvious. The responses of the affected states vary widely. Chişinău takes a largely pragmatic line, while Georgia – especially under Saakashvili –

sought to tighten the isolation of the secessionist territories and made economic interaction with them illegal. More recently, the Russian economic crisis has affected the de facto states as well as Russia's Eurasian neighbours. The fall-off in financial flows from Russia is complicating the economic and socio-economic situation in these already strongly underdeveloped areas.

### **Moscow's Selective Revisionism: Conclusions and Outlook**

Russia plays a central role in all the frozen conflicts in the eastern neighbourhood, and has tied all the de facto states – with the exception of Nagorno-Karabakh – closely to itself, politically, economically and militarily. In Abkhazia and South Ossetia this process has almost reached the annexation threshold. Revisionist instruments such as support for state-building, military presence and security guarantees, passportisation, and economic subsidisation have shaped Russian policy since the 1990s. From the 2000s Moscow applied and expanded them in an increasingly systematic manner.

A further intensification of revisionist measures occurred after the outbreak of the crisis over Ukraine, but their application still remains selective. The Kremlin continues to pursue calculated destabilisation with the aim of controlling internal and external developments in the affected states and preventing them from turning to the West. The measures applied take different forms in Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh, however, and are not designed for territorial expansion.

In the conflict in Transnistria, Moscow holds on to the status quo, despite close ties with the TMR. In view of TMR's precarious situation, changing that stance at the present time would be both risky and costly for Moscow, as it could involve the loss of a valuable lever of influence over Chişinău. However, recent internal developments render stronger Russian influence superfluous anyway, as the pro-European Moldovan elites have discredited themselves in the eyes of the population.

Russian policy in the Nagorno-Karabakh conflict has been less characterised by revisionism. Despite Armenia's great dependency on Russia, this is where Moscow possesses least control over the conflict parties, which have to date sought to exploit the geopolitical tensions above all to strengthen their own position at the expense of their adversary. As the escalation in April 2016 also demonstrated, the Nagorno-Karabakh conflict involves considerable security risks for Russia – now further heightened by the crisis in relations with Turkey. The greatest danger for Russia here would be if its alliance obligations to Armenia were to drag it into an escalation – which it maintains a lively interest in avoiding.

Only in the conflicts over Abkhazia and South Ossetia did Russia break with its status-quo policy before the start of the crisis over Ukraine. Its position remained unchanged in 2014 and 2015. At the same time, Russia has stood by its normalisation of economic relations with Georgia, even if this had already been reaching its limits before the crisis broke out. Future

Russian policy in these two conflicts will depend not least on Georgian domestic and foreign policy.

Russia is currently struggling with a deepening economic crisis that is clearly affecting its relations with the de facto states. The consequences for Russian foreign policy will be largely determined by the domestic political situation. In the medium term Moscow could find itself forced to make compromises on foreign policy and relax relations with the West in order to improve its economic situation. In that event, the likelihood of a sharpening of revisionist policy in the neighbourhood would fall. Currently, however, the danger appears greater that a political leadership faced with economic weakness and domestic pressure will continue, potentially even more strongly, to exploit foreign policy for purposes of domestic legitimacy. In this case the frozen conflicts would remain a convenient tool in Moscow's hands.



# The Transnistria Conflict in Light of the Crisis over Ukraine

Klemens Büscher

The Transnistria conflict that arose in 1989/90 is one of the most unusual outcomes of the late- and post-Soviet transformation processes. Until 1988 “Transnistria” was neither a political unit nor a contemporary term in the Soviet Union. And the territory’s secession came not at the end of a longer escalation, but virtually overnight during the late-Soviet convulsions.<sup>1</sup>

Nonetheless, the fact that the Moldovan Soviet Republic straddled two regions with different historical roots and traditions undoubtedly fostered the conflict. Bessarabia, between the rivers Prut and Dniester, belonged to the Russian Empire from 1812, but retained strong Romanian linguistic and cultural influences. Bessarabia became part of Romania in 1918, after the collapse of the Tsarist monarchy. It fell under Soviet control in 1940 under the Hitler-Stalin Pact, and finally became part of the Soviet Union in 1944. The area east of the Dniester, on the other hand, had never been part of a Romanian or Moldovan state.<sup>2</sup> But during the 1941 to 1944 occupation parts of the left-bank (Transnistrian) population suffered terribly under Romanian rule, when they belonged to the Governorate of Transnistria, run from Odessa.

## The Origins of the Conflict

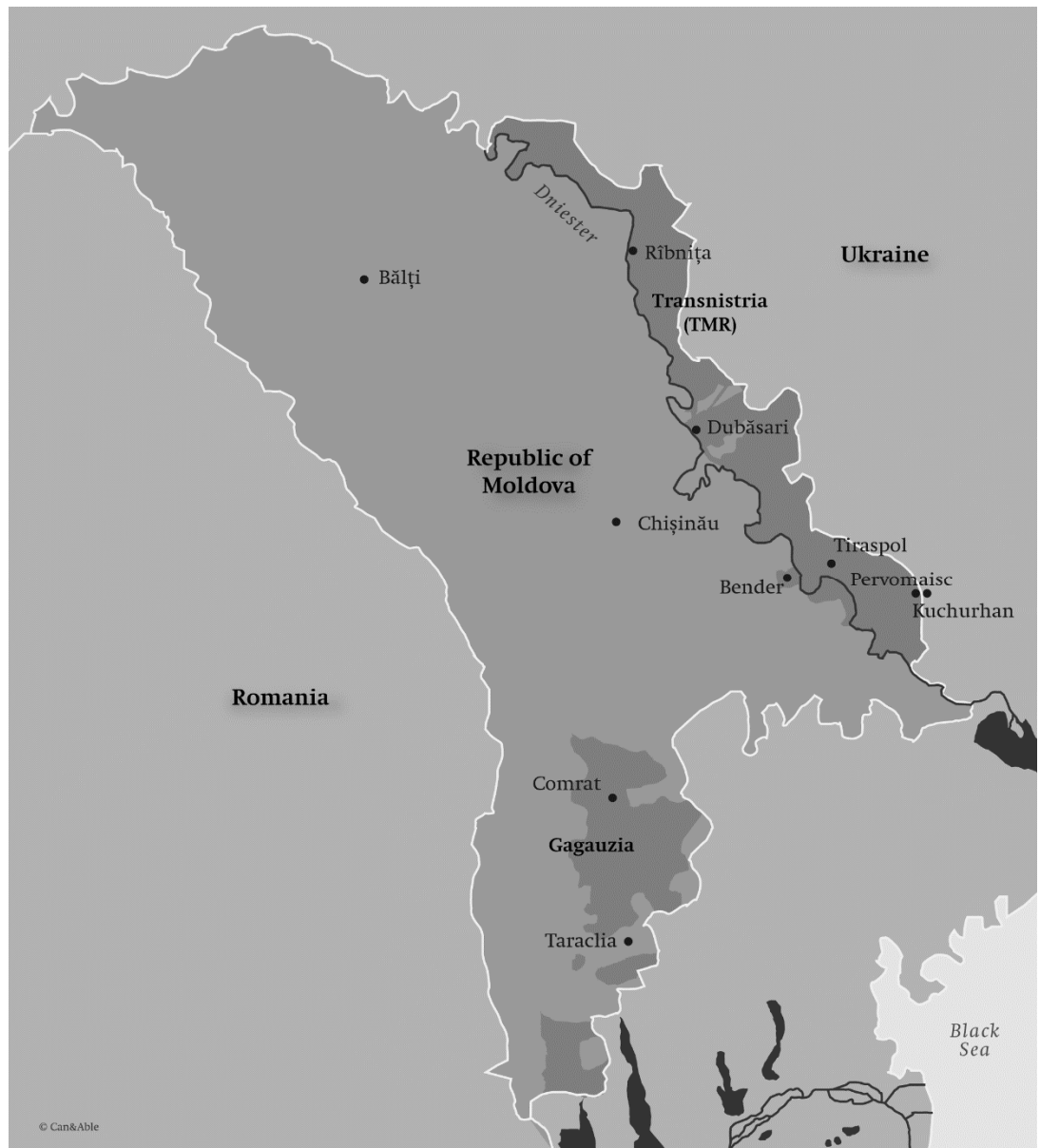
Broadly in parallel to the historical/cultural cleavages, the society of the Moldovan Soviet Socialist Republic (MSSR) experienced increasing socio-economic differentiation during the Soviet era: on one side industrial cities with a multi-ethnic, de facto Russian-speaking, frequently allochthonous economic, party and administrative elite; on the other, heavily agricultural areas with a largely Romanian-speaking autochthonous population.<sup>3</sup> Especially in the heavy industry and arms factories geographically concentrated in the area of subsequent secession, the Soviet elites found themselves facing increasing pressure from the Moldovan national movement. Its objective was linguistic – and thus de facto personal – Moldovanisation at all levels of leadership, which left the Russian-speaking elites fearing for their posts. That development aside, the perspective of subjugation to the

<sup>1</sup> Stefan Troebst, “Separatistischer Regionalismus (post-)sowjetischer Eliten: Transnistrien 1989–2002”, in *Regionale Bewegungen und Regionalismen in europäischen Zwischenräumen seit der Mitte des 19. Jahrhunderts*, ed. Philipp Ther and Holm Sundhaussen (Marburg, 2003), 185–214 (195).

<sup>2</sup> Charles King, *The Moldovans: Romania, Russia, and the Politics of Culture* (Stanford, 2000), 181.

<sup>3</sup> The largely Russian-speaking rural areas of Gagauzia and Taraclia in the south represented linguistic exceptions, along with a few Ukrainian-speaking settlements.

**Map 2**  
**The Transnistria conflict**



Chișinău authorities and competition with a rising Moldovan elite appeared anathema to industrial directors and functionaries accustomed to dominance within the republic and direct relations with the Moscow centre. To that extent it was ultimately the Moldovan declaration of sovereignty in 1990, which declared all property on the territory of the MSSR to be owned by the republic, and the emerging rejection of a new Union Treaty by the Moldovan leadership, that triggered the Russian-speaking autonomy/secession movement.<sup>4</sup> The split was initiated and driven by

<sup>4</sup> Klemens Büscher, “Die ‘Staatlichkeit’ Transnistriens – ein Unfall der Geschichte?“, in *Nationalismus im spät- und postkommunistischen Europa*, vol. 3: *Nationalismus in den nationalen Gebietseinheiten*, ed. Egbert Jahn (Baden-Baden, 2008), 227–52.

Russian-speaking elites in the republic's industrial areas, who feared for their privileges and influence and enjoyed direct access to significant economic and administrative resources.<sup>5</sup> As their original goal of securing power in the republic as a whole slipped away in the face of the dynamism of the Moldovan national movement, they concentrated on defending their dominance in the centres of industry. Which areas they succeeded in bringing under their control depended on specific political power constellations on the ground, and the intensity of Russian military intervention: In the industrial cities west of the Dniester the separatists gained the upper hand in Bender, but not in Chişinău, Bălţi or the smaller towns. East of the river they captured certain agricultural areas where they enjoyed little support.<sup>6</sup> The resulting entity was given the Russian geographical moniker *Pridnestrovye* (Transnistria). The Moldovan Autonomous Soviet Socialist Republic (MASSR), founded in 1924 with similar boundaries within the Ukrainian SSR, is seen as the precursor of Transnistrian "statehood" and a source of historical legitimacy.

Two other factors contributed greatly to escalation. Firstly, the elites in the industrial areas succeeded in tapping pre-existing ideas within the multi-ethnic, largely Russian-speaking urban population, especially the internalisation of ideological dogmas of Soviet nationality policy.<sup>7</sup> Propaganda and deliberate fear-mongering, chauvinism and a fortress mentality massively amplified the Russian-speaking population's generally understandable fears of discrimination and possible unification with Romania. It was the resulting mass mobilisation of the left-bank population in demonstrations, strikes and pseudo-referendums that lent the separatist course a sheen of democratic legitimacy.

Secondly, the Russian-speaking elites exploited their existing ties with Moscow to secure backing. Although the Soviet leadership officially rejected Transnistrian secession, there are clear signs that the separatists were supported and encouraged by a series of high-ranking representatives of KGB, defence ministry and interior ministry, as well as by members of the Supreme Soviet.<sup>8</sup>

<sup>5</sup> Dareg A. Zabarrah, "Opportunity Structures and Group Building Processes: An Institutional Analysis of the Secession Processes in Pridnestrovie and Gagauzia between 1989 and 1991", *Communist and Post-Communist Studies* 45, no. 1–2 (2012): 183–92 (184).

<sup>6</sup> In three of the five left-bank districts (Camenca, Dubăsari, Grigoriopol) ethnic Moldovans represented more than 62 percent of the population; in Dubăsari the figure was 89 percent (in each case excluding the district administrative centre).

<sup>7</sup> Objectively, the Russian-speakers' fight against Moldovan nationalism would appear to be itself an expression of extreme Russian nationalism. As they understood it, however, it was a struggle under the flag of *anti-nationalism*, defending the supposed equality of all Soviet nations. For an example of this ideological conviction, see "Pochemu my zabastovali?" [Why are we striking?], *Izvestiya rabochego komiteta g. Bendery, Informatsionnyy byulleten* N. 21, 23 September 1989.

<sup>8</sup> First and foremost its chair (from March 1990 to August 1991), Anatoly Lukyanov. Anatol Țăranu and Mihai Gribincea, "Introducere", in idem (eds.), *Conflictual Transnistrean: Culegere de documente și materiale (1989–2012)*, ed. Anatol Țăranu and Mihai Gribincea, vol. 1: 1989–1993 (Chişinău, 2012), 3–32 (17f.).

## War and “Frozen Conflict” on the Dniester

Russian support was particularly obvious in the military sphere. The Soviet (from April 1992 Russian) 14th Army stationed in and around the largest Transnistrian city Tiraspol was quick to supply secessionist paramilitaries with arms, ammunition and expertise, and increasingly with manpower too.<sup>9</sup> Immediately after the collapse of the Soviet Union the Transnistrian leadership seized control of the remaining left-bank government agencies and police stations; Chişinău’s vain attempt to recapture the right-bank city of Bender in mid-June 1992 led to a short but bloody war that the separatists quickly won. They received massive military support from the 14th Army, which doubled as a peacekeeping force enforcing the cease-fire and separating the parties. The bitter clashes in early summer 1992 cost more than one thousand lives; well over one hundred thousand fled, and ten thousand were injured in the fighting.

In July 1992 the Moldovan and Russian presidents agreed a cease-fire and the installation of a Moldovan-Transnistrian-Russian border monitoring regime with a trilateral peace-keeping force. The cease-fire, which still remains in effect today, cemented the territorial division created by the fighting. While the international community including Russia recognised the Republic of Moldova in the borders of the previous Soviet republic, the status of the “*Transnistrian Moldovan Republic*” (TMR) remained unclarified – along, incidentally, with the legal status of the Russian military presence on Moldovan-Transnistrian soil. Negotiations over the status question got under way in 1994, mediated by the CSCE/OSCE. As well as the immediate conflict parties Moldova and Transnistria, the OSCE, Russia and (from 1995) Ukraine also participated as mediators.

In autumn 2003 Russia made the conflict parties an offer of its own outside the official negotiating format: a federation with autonomous status for the TMR. This plan, referred to as the Kozak Memorandum after its author, Putin confidant Dmitri Kozak, not only proposed granting TMR far-reaching powers and vetoes over strategic Moldovan decisions, but in the last version also a long-term status for Russian military forces. For that reason then Moldovan President Vladimir Voronin, with the West’s backing, withdrew his initial approval of the memorandum.<sup>10</sup>

The European Union’s growing interest in the region led in 2005 to a further internationalisation of conflict regulation. The European Union and United States joined the five-member negotiating format as observers (5+2 format), while the EU appointed a special envoy for the conflict and a mission to support Moldova and Ukraine in monitoring the shared border (including the Transnistrian sector).<sup>11</sup> The balance of this twenty-year negotiating process is sobering: the talks have achieved no movement at all on

<sup>9</sup> On 3 December 1991 the Transnistrian Supreme Soviet appointed 14th Army Commander Gennady Yakovlev as head of its new Defence Department.

<sup>10</sup> William H. Hill, “The OSCE and the Moldova-Transnistria Conflict: Lessons in Mediation and Conflict Management”, *Security and Human Rights* 24, no. 3–4 (2014): 287–97 (294).

<sup>11</sup> European Union Border Assistance Mission to Moldova and Ukraine (EUBAM).

the status question. Chişinău is offering the region autonomy, which the Moldovan parliament defined in law in 2005 without reference to the Transnistrian position, while Tiraspol insists on international recognition and is willing only to agree to a loose confederation of equals with Moldova.<sup>12</sup>

In the early 1990s the Moldovan government quickly reversed its Romanianisation course, not least to allay the concerns of the national minorities (Ukrainians, Russians, Gagauzians, Bulgarians and others, who together represent 22 percent of the Moldovan population outside the TMR) about discrimination and a unification with Romania.<sup>13</sup> The southern region of Gagauzia, most of whose 150,000 inhabitants belong to the Turkic Christian Gagauz minority, received territorial autonomy in 1994. Moldova's minority policy as a whole has remained moderate to this day; Russian, as the most important minority language, remains strong in the mass media and commerce, often to the detriment of other minority languages.<sup>14</sup> Unification with Romania is regarded as completely unrealistic, and would hardly be an issue in Moldova were it not repeatedly raised by Romanian politicians. Surveys within Romania show three-quarters of the population there supporting unification with Moldova.<sup>15</sup>

In terms of ethnicity, the half million population of Transnistria comprises roughly equal numbers of Moldovans, Russians and Ukrainians (about 30 percent each); members of other nationalities (Bulgarians, Gagauzians and others) make up 9 percent.<sup>16</sup> But behind the institutionally and rhetorically multi-ethnic façade, the Russian language dominates all areas of public life.<sup>17</sup> It is estimated that two hundred thousand citizens possess Russian nationality and the same number Moldovan, while one hundred thousand have Ukrainian; multiple citizenship is commonplace. In the talks seeking a resolution of the Transnistria conflict the parties

<sup>12</sup> Liliana Popescu, "The Futility of the Negotiations on Transnistria", *European Journal of Science and Theology* 9 (June 2013), Supplement 2: 115–26.

<sup>13</sup> 2004 census. Complete ethnic and linguistic data from the May 2014 census will probably not be published before the end of 2016. Official statistics put the total population of Moldova (without Transnistria) at 3.5 million, while the 2014 census registered just under 3 million residents (present in the country).

<sup>14</sup> For example in the opinions of the Advisory Committee for the Framework Convention for the Protection of National Minorities in the three completed monitoring cycles to date (see <http://www.coe.int/en/web/minorities/country-specific-monitoring-2016#Moldova>) and the four country reports published to date by the European Commission against Racism and Intolerance (see [http://www.coe.int/t/dghl/monitoring/ecri/Country-by-country/Moldova/Moldova\\_CBC\\_en.asp](http://www.coe.int/t/dghl/monitoring/ecri/Country-by-country/Moldova/Moldova_CBC_en.asp)) (both accessed 9 June 2016).

<sup>15</sup> Michael Bird, "A Union between Moldova and Romania: On the Cards?", *EU Observer* (online), 5 March 2015.

<sup>16</sup> The results of a census conducted in the region October 2015 have not yet been published.

<sup>17</sup> Magdalena Dembinska and Julien Danero Iglesias, "The Making of an Empty Moldovan Category within a Multiethnic Transnistrian Nation", *East European Politics and Societies* 27, no. 3 (2013): 413–28 (419f); Oleh Protsyk, *Representation and Democracy in Eurasia's Unrecognized States: The Case of Transnistria*, ECMI Working Paper 40 (Flensburg: European Centre for Minority Issues [ECMI], June 2008).

repeatedly agreed to refrain from exerting pressure, which de facto allowed the TMR leadership to establish state structures largely undisturbed.<sup>18</sup> Today, indeed, TMR possesses almost all the attributes and institutions of an independent state. The current form of rule can be characterised as an authoritarian presidential system with a critical human rights situation.<sup>19</sup>

The relative success of the Transnistrian state-building project cannot be attributed solely to the actions of regional actors. Instead, Russia exercises a dual role as mediator *and* conflict party and to that extent shares responsibility for the emergence and development of Transnistrian statehood. The extent of Moscow's support – security guarantees through a military presence, consistent diplomatic and propaganda backing, political advice and cooperation, and economic and financial support on a considerable scale – led the European Court of Human Rights to conclude in four separate cases that Russia exercises extraterritorial jurisdiction and therefore shares responsibility for human rights violations in TMR.<sup>20</sup> From the political perspective, shared responsibility can be identified: Moscow appears to exercise decisive influence in questions of strategic importance, while leaving other matters largely to the local actors.

### **Recent Developments:**

#### **Ukraine Crisis and EU-Moldova Association Agreement**

As well as the crisis over Ukraine, the EU-Moldova Association Agreement and the Moldovan political crisis have affected the Transnistria conflict more recently.

#### **Effects in Moldova**

Tensions between the pro-European coalition government in Chişinău and the Russian leadership escalated in advance of the initialling of the Association Agreement between the European Union and the Republic of Moldova in November 2013. The Kremlin sought to stop the agreement by

<sup>18</sup> Helge Blakkisrud and Pål Kolstø, "From Secessionist Conflict toward a Functioning State: Processes of State- and Nation-Building in Transnistria", *Post-Soviet Affairs* 27, no. 2 (2011): 178–210.

<sup>19</sup> Freedom House categorises it as "not free" (rating 6), *Freedom in the World 2015 – Transnistria*, 19 June 2015, <https://freedomhouse.org/report/freedom-world/2015/transnistria>; see also the report by former Council of Europe Commissioner for Human Rights Thomas Hammarberg, *Report on Human Rights in the Transnistrian Region of the Republic of Moldova*, 14 February 2013, <http://www.un.md/publicdocget/41/> (accessed each 9 June 2016).

<sup>20</sup> European Court of Human Rights (ECHR), Grand Chamber (GC), *Case of Ilaşcu and Others v. Moldova and Russia*, no. 48787/99, judgment of 8 July 2004; *Case of Catan and Others v. Moldova and Russia*, nos. 43370/04, 8252/05 and 18454/06, judgment of 19 October 2012; *Case of Mozer v. The Republic of Moldova and Russia*, no. 11138/10, judgment of 23 February 2016; *Case of Turturica and Casian v. The Republic of Moldova and Russia*, nos. 28648/06 and 18832/07, judgment of 30 August 2016. See also Christopher Borgen, *Thawing a Frozen Conflict: Legal Aspects of the Separatist Crisis in Moldova: A Report from the Association of the Bar of the City of New York, Legal Studies Research Paper 06-0045* (St. John's University School of Law, New York, July 2006).

means of threats, massive anti-European propaganda and a ban on imports of Moldovan wine. Chişinău initially responded to Russia's annexation of Crimea with open criticism, but quickly sought to return to calm dialogue with Moscow. Moldova steered clear of provocations, not least in view of its great dependency on Russian energy supplies and the Russian economic sanctions imposed in autumn 2013 and subsequently successively expanded.<sup>21</sup> The crisis over Ukraine has further deepened political polarisation within the country around the question of association with the EU and Chişinău's "geopolitical orientation". Since then Moldova has been divided roughly equally between supporters of integration in the EU and those who would prefer to see their country entering the Eurasian Economic Union.

Moldovans demonstrate an ambivalent stance towards developments in Ukraine: In a representative survey in April 2014, 43 percent feared that the crisis there would spread to Moldova, while 46 percent saw no particular risks.<sup>22</sup> 40 percent approved of Russia's annexation of Crimea, while 43 percent rejected it. Approval was especially strong among the national minorities, with fully 72 percent of the (largely Russian-speaking) self-identified ethnic Ukrainians supporting the annexation of Crimea. More recent surveys confirm that a large proportion of the Moldovan population, including most of the Ukrainian minority, support the interpretation of events in Ukraine disseminated by Russian media propaganda.<sup>23</sup> This is largely unsurprising, as Russian radio and television are the second most important source of information for the population after domestic broadcasters, and for the minorities in fact the most important.<sup>24</sup>

The Russian aggression against Ukraine has reminded the Moldovan elites of the considerable military potential of Transnistria's army (about 7,500 members and various paramilitary units). The same applies to Russia's military presence in Transnistria, which comprises the Operational Group of Russian Forces (OGRF),<sup>25</sup> the Russian contingent in the trilateral peacekeeping forces, units directly controlled by Russia's Western

<sup>21</sup> Denis Cenuşa et al., *Russia's Punitive Trade Policy Measures towards Ukraine, Moldova and Georgia*, CEPS Working Document 400 (Brussels: Centre for European Policy Studies [CEPS], September 2014), 5ff. In the following summer the Russian authorities relaxed the ban on wine imports from Moldova, but only for selected products from pro-Russian Gagauzia and Transnistria.

<sup>22</sup> Institutul de Politici Publice, ed., *Barometer of Public Opinion, March–April 2014* (Chişinău, 2014), 89.

<sup>23</sup> See Vitaliy Andrievskiy, "Riski i ugrozy dlya Moldovy" [Risks and dangers for Moldova], *Ava.md*, 25 February 2015, <http://ava.md/analytics-commentary/029083-riski-i-ugrozi-dlya-moldovi.html> (accessed 9 June 2016). In December 2015 several Moldovan journalists' organisations demanded a ban on Russian television broadcasting of news and current affairs programmes. Also Institutul de Politici Publice, ed., *Barometer of Public Opinion, April 2015* (Chişinău, 2015), 84–86.

<sup>24</sup> *Ibid.*, 30f.

<sup>25</sup> OGRF's principal official task is to guard the enormous military depot in the Transnistrian village of Cobasna (Kolbasna). By 2003 almost half of the 42,000 tonnes of munitions originally stored there had been transported to Russia, under an agreement reached at the 1999 OSCE summit in Istanbul. Russia stopped the withdrawal after the failure of the Kozak Memorandum.

Military District (including at the Russian military airfield in Tiraspol), and other facilities (military court, FSB military counter-espionage). They reportedly total 2,500 military members,<sup>26</sup> a good 400 of them in the peacekeeping contingent. Scenarios of the kind witnessed in eastern Ukraine would also appear fundamentally conceivable in Gagauzia, in the largely Bulgarian-populated southern district of Taraclia, and in the heavily Russian city of Bălți, were Russia to seek a violent destabilisation of Moldova with Transnistria's assistance.<sup>27</sup>

In order to prevent the clandestine entry of Russian soldiers, Moldova tightened controls at Chişinău Airport in 2014 and in a number of cases banned male Russian citizens from entering. The Moldovan government and president have repeatedly demanded the withdrawal of Russian military forces and the replacement of the trilateral peacekeeping forces with an international civilian mission. The president even went so far as to call into question the country's constitutional neutrality and discuss the possibility of joining NATO.<sup>28</sup> To date, however, Chişinău has not withdrawn from the July 1992 cease-fire agreement, which provides for the deployment of trilateral peacekeeping forces in the buffer zone and thus also lends the presence of Russian peacekeepers a degree of – contested – legitimacy under international law.

Moscow's hard stance in the question of Chişinău's relationship with the EU confirms the widespread supposition that its strategic goal is to keep Moldova inside Russia's sphere of influence and prevent it turning to the West. As well as keeping the Transnistria conflict open, Russia's methods include influencing Moldovan internal politics through propaganda and supplying political, practical and financial support to pro-Russian forces.<sup>29</sup> In early 2014 Russia supported the holding of a referendum in Gagauzia – which Chişinău regarded as illegal – in which almost all participants voted in favour of Moldova joining the customs union with Russia rather than the European Union. In the 2014 parliamentary elections and local elections in early summer 2015, the decidedly pro-Russian opposition Party of Socialists of the Republic of Moldova (PSRM) received

<sup>26</sup> For detailed information on all Russian military units and facilities in Transnistria see the military internet forum *Armiya Gosudarstva Rossiyskogo* [Army of the Russian state], <http://www.ofizer.ru/forum/45-728-1> (accessed 9 June 2016). See also Dumitru Minzarari, "Ukraine Taking Drastic Measures to Diminish the Risk of an 'Odessa People's Republic'", *Eurasia Daily Monitor* 11, no. 150 (14 August 2014).

<sup>27</sup> "Corman: 'Große Besorgnis in der Moldau wegen der Ukraine-Krise'", *Deutsche Welle* (online), 7 May 2014; Vladimir Socor, "Moldova: Russia's Next Target If the West Falts in Ukraine (Part One)", *Eurasia Daily Monitor* 11, no. 98 (27 May 2014); Konstantin Sivkov, "Pridnestrovskiy rubezh. Nepriznannaya Respublika prevrashchaetsya v porokhovuyu bochku Yevropy" [Transnistrian border: Unrecognised republic becomes European powder-keg], *Voенно-promyshlennyj kuryer* 43 (11 November 2015), <http://vpk-news.ru/articles/27937> (accessed 9 June 2016).

<sup>28</sup> In an interview with the Ukrainian news agency Ukrinform on 31 March 2015, [http://www.ukrinform.ru/rubric-lastnews/1831034-prezident\\_nikolae\\_timofti\\_rossiya\\_vozrogaet\\_ideyu\\_federalizatsii\\_moldovi\\_1730199.html](http://www.ukrinform.ru/rubric-lastnews/1831034-prezident_nikolae_timofti_rossiya_vozrogaet_ideyu_federalizatsii_moldovi_1730199.html) (accessed 9 June 2016).

<sup>29</sup> Stanislav Secieru, *How to Offset Russian Shadow Power? The Case of Moldova*, PISM Bulletin no. 125 (720) (Warsaw: Polish Institute of International Affairs [PISM], 31 October 2014).



unconcealed assistance from Moscow and from Russian media. The left-populist Moldovan-Russian businessman and – since July 2015 – mayor of Bălți, Renato Usatii, whose new political formation has recently achieved respectable polling figures under the name “Our Party”, plainly possesses very good connections to Moscow.<sup>30</sup>

However, the risk of a “Ukrainian scenario” in Moldova has receded since summer 2014. In the first half of 2014 Chișinău was able to score important successes with the lifting the visa requirement for Moldovan citizens with biometric passports travelling to the Schengen area (April) and the signing of the Association Agreement with the European Union (June). But shortly thereafter the country collapsed into a deep political crisis from which it has yet to recover – and which casts a deep shadow over reform policies tailored to a closer relationship with the EU. Given that the nominally pro-European elites – in the first place the hitherto largest parties (Democratic Party of Moldova, Liberal Democratic Party of Moldova and Liberal Party) – have themselves largely discredited the reform policies, Russian aggression to force Chișinău to drop its pro-EU course is currently completely unnecessary.

One of the catalysts of the sweeping political crisis was the so-called “theft of the century”, where fraudulent loans estimated to total \$1 billion led to the insolvency of three banks in November 2014 and burdened the state budget to the tune of up to 20 percent of GDP.<sup>31</sup> The scandal, which has yet to be properly cleared up, deeply shocked the country. Political blockades, dramatic power shifts within and outside parliament, and ensuing political instability brought the reform process largely to a standstill in 2015.<sup>32</sup> At the same time, the largest protest movement in the country’s history emerged, in the guise of a civil society coalition campaigning for a proper investigation of the bank fraud, dismantling of the oligarchy, early elections and determined action against corruption. However, since the controversial election of a new coalition government led by the Democratic Party of Moldova (DPM) in January 2016 the movement has rather run out of steam, while the country gradually stabilised in the course of 2016. Criticism still focuses on the extremely unpopular billionaire and deputy

<sup>30</sup> Ruslan Shevchenko, *Analiticheskiy doklad Instituta effektivnoy politiki, Renato Usatyy: put ot inzhenera kombinata pitaniya MZHD do vozmozhnogo kandidata na post prezidenta Moldovy* [Analytical report of the Institute for Effective Policy, Renato Usatyy: The path from engineer at the communal catering combine of Moldovan Railways to potential candidate for the presidency of Moldova], 20 December 2015, <http://iep.md/analytic/0236-Analiticheskiy-doklad-Renato-Usa.phtml> (accessed 9 June 2016).

<sup>31</sup> Jörg Radeke, *Bankenbetrug: Doppelschock für den Staatshaushalt vermeiden*, Newsletter 30 (Berlin: German Economic Team Moldau, July–August 2015).

<sup>32</sup> One indication of this instability is that there were five different prime ministers in 2015, three of whom served only in an acting capacity. One led a minority coalition, while the only one with a coalition majority lasted less than one hundred days. Igor Botan et al., *Euromonitor: The First Achievements and Challenges in Implementing the EU-RM Association Agreement (July 2014 – July 2015)* (Chișinău: ADEPT and Expert-Grup, September 2015); Victor Chirila, *Moldova – The Falling Star of the Eastern Partnership (EaP)* (Chișinău: Foreign Policy Association, 16 May 2015), <http://www.ape.md> (accessed 9 June 2016).

leader of the DPM, Vlad Plahotniuc, who many observers believe wields decisive influence over the country's administration and justice system. The fact that the Moldovan state remains "in the hands of oligarchs" has also attracted increasing international criticism.<sup>33</sup> The general mood in society has sunk to a new low: according to one survey 88 percent are convinced that the country is going in the wrong direction.<sup>34</sup> The proportion of Moldovans who support unification with Romania has recently risen to 21 percent (November 2015), after remaining around 5 to 10 percent for many years.<sup>35</sup> Against the background of these developments, the Transnistria conflict is not currently a political priority for Chişinău.<sup>36</sup> On the positive side, however, the general improvement in cooperation between Moldova and Ukraine since 2014, which also affects questions relating to the Transnistria conflict, should be acknowledged.

There has been no progress of late in the internationally mediated negotiating process. While two of the five 5+2 meetings planned for 2014 did actually take place, the format has been heavily discredited by Russia's massive violation of central OSCE principles and burdened by the conflicts between the mediators Ukraine and Russia, and came to a complete standstill again in 2015. Not until June 2016, after intense efforts by the German OSCE chairmanship, was another round of the 5+2 talks held in Berlin. In a protocol signed by both sides, Chişinău and Tiraspol affirmed their intention to resolve a series of practical issues.<sup>37</sup> Numerous Moldovan experts, however, sharply criticised the document.<sup>38</sup> Western mediators and observers do indeed appear to have subordinated legitimate interests of the Republic of Moldova to their desire to achieve an outcome from the joint mediation efforts with Russia. The problem with the Berlin Protocol is that it mentions neither the question of Transnistria's status (as the cause and pivotal issue of the negotiating process) nor the precarious human rights situation in the TMR. Apparently considerable pressure was exercised in Berlin on Chişinău to make concessions on acceptance of Transnistrian vehicle registration plates, recognition of Transnistrian educational qualifications and reintegration of telecommunications links. Resolving these

<sup>33</sup> Thorbjorn Jagland, "Bring Moldova Back from the Brink", *New York Times*, 10 August 2015.

<sup>34</sup> Institutul de Politici Publice, ed., *Barometer of Public Opinion, November 2015* (Chişinău, 2015), 7.

<sup>35</sup> *Ibid.*, 83. Among the minorities the proportion is 1 to 4 percent.

<sup>36</sup> This remains true despite a parliamentary declaration of 10 July 2014 that the restoration of territorial integrity remains a national priority within the context of EU association, <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=353969&lang=2> (accessed 9 June 2016).

<sup>37</sup> Protocol of the Official Meeting of the Permanent Conference for Political Questions in the Framework of the Negotiating Process on the Transdnistriean Settlement, 2–3 June 2016, Berlin, <http://www.osce.org/moldova/244656?download=true> (accessed 2 September 2016).

<sup>38</sup> See inter alia the joint declaration by influential civil society experts: Declarația Societății Civile cu privire la Liniile Roșii ale Reglementării Transnistrene, 22 August 2016, <http://www.transparency.md/en/news/27-declarations/305-declaratia-societatii-civile-cu-privire-la-liniile-rozii-ale-reglementarii-transnistrene> (accessed 2 September 2016).

sovereignty-related and symbolic matters without regulating the division of powers between the central state and the autonomous entity would, however, tend to enable Tiraspol to exploit progress in the Transnistrian state-building process for propaganda purposes, rather than having any confidence-building effect. It is also problematic that the mediators' approach is hard to reconcile with Moldova's positive obligations towards the breakaway region under the European Convention on Human Rights: In the case of *Ilaşcu and Others*, the European Court of Human Rights ruled that Moldova's positive obligations require it to take all political, judicial and other measures at its disposal to re-establish control over Transnistrian territory, and to refrain from supporting the separatist regime of the TMR.<sup>39</sup>

Although Chişinău participates at various levels in the dialogue with Tiraspol (meetings of chief negotiators in the "1+1" format, sectoral working groups), there is as little sign of a clear Moldovan vision as there is of a realistic strategy for reintegrating the eastern part of the country.<sup>40</sup> The concrete challenges that reunification would produce in various policy areas – given the two entities' very different development paths and the harmonisation processes and transitional arrangements that would be required – are apparently not a concern of Moldovan politics. The Office for Reintegration answerable to the responsible deputy prime minister possesses only minimal resources for addressing these questions. To that extent it is no surprise that nothing came of the short-serving Prime Minister Valeriu Streleţ's announcement of the preparation of an "integration roadmap",<sup>41</sup> nor of the August 2015 revival of the inter-ministerial reintegration commission after years of inactivity.

Pro-Russian parties traditionally demonstrate a degree of understanding for Transnistria's position, while pro-European currents emphasise its lack of legitimacy and the role of Russia. But in both political camps supporters of reintegration are in the majority. Moldovan society, on the other hand, appears to have accepted a development path without Transnistria. While 80 percent in a representative survey at the end of 2015 criticised the government's efforts to reach a resolution of the Transnistria conflict as inadequate,<sup>42</sup> only 9 percent named reintegration as one of the country's three most important tasks.<sup>43</sup> None of the numerous recent demonstra-

<sup>39</sup> European Court of Human Rights (ECHR), Grand Chamber (GC), *Case of Ilaşcu and Others v. Moldova and Russia*, no. 48787/99, judgment of 8 July 2004, §§339–340.

<sup>40</sup> Asociația pentru Politică Externă din Moldova [Foreign Policy Association of Moldova] (APE), ed., *The Transnistrian Settlement in Stalemate*, APE Policy Paper (Chişinău, 25 May 2015), 7, <http://www.ape.md/doc.php?l=en&idc=152&id=2236> (accessed 9 June 2016).

<sup>41</sup> Ion Surdu, "Guvernul Streleţ, investit de Parlament: 'Toți candidații la funcția de ministru sunt eligibili'" [Streleţ government confirmed by parliament: "All ministerial candidates are electable"], *Adevarul.md* (online), 3 July 2015, [http://adevarul.ro/moldova/politica/programul-activitate-guvernului-strelet-publicat-site-ul-parlamentului-Increderea-institutiile-statuluiminima-1\\_55b9d541f5eaafab2c162abc/index.html](http://adevarul.ro/moldova/politica/programul-activitate-guvernului-strelet-publicat-site-ul-parlamentului-Increderea-institutiile-statuluiminima-1_55b9d541f5eaafab2c162abc/index.html) (accessed 24 June 2016). Streleţ served only from 30 July to 30 October 2015.

<sup>42</sup> Institutul de Politici Publice, ed., *Barometer of Public Opinion, November 2015* (see note 34), 9.

<sup>43</sup> *Ibid.*, 21f.

tions and protests raised the Transnistria question. Nonetheless, a broad majority rejects the option of Russia annexing Transnistria. Even the minorities, who often show understanding and a degree of sympathy for the TMR, generally express reservations over the possibility of permanent separation.<sup>44</sup> Such a move would permanently weaken their relative demographic and political weight in Moldova.

### Effects in Transnistria

Russia's annexation of Crimea initially raised hopes in the "Transnistrian Moldovan Republic" (TMR) that Moscow would now incorporate the secessionist territory east of the Dniester into the Russian Federation. Transnistrian Foreign Minister Nina Shtanski, who explicitly welcomed the annexation of Crimea, pointed to the parallels between the two areas, referring to the Transnistrian referendum of 2006 where a large majority voted for integration into the Russian Federation. In April 2014 the Transnistrian Supreme Soviet asked the Russian government to recognise the TMR.<sup>45</sup> These hopes were not to be fulfilled, however. Instead it became clear that TMR's situation has become a great deal more difficult since 2014. The main problems lie in the relationship with neighbouring Ukraine, the problematic economic situation and the consequences of the EU-Moldova Association Agreement.

For many years Ukraine adopted a stance of passivity in the talks seeking a resolution of the Transnistrian conflict.<sup>46</sup> As such it also helped the Transnistrian state-building process to proceed largely undisturbed. In the past Ukrainian politicians and businesspeople have plainly profited on no small scale from legal and illegal trade with Transnistria. Despite Ukrainian acknowledgement of Moldova's territorial integrity, there was a degree of understanding between Kiev and Tiraspol over many concrete questions, not least out of concern over Bucharest's greater-Romanian ambitions.<sup>47</sup> Kiev maintained good relations with TMR President Yevgeny Shevchuk, an ethnic Ukrainian elected in 2011. Especially close political and economic ties existed between Transnistria and the Odessa region.

Since the annexation of Crimea and the fighting in eastern Ukraine, Kiev's "benign neutrality" has been supplanted by a critical if not hostile stance. Alongside Tiraspol's support for Russia, that development was expedited by the Ukrainian and Moldovan authorities' discovery that armed

<sup>44</sup> Institutul de Politici Publice, ed., *Barometer of Public Opinion, March–April 2014* (see note 22), 91.

<sup>45</sup> Ruslan Shevchenko, "1001-ye obrashcheniye Pridnestrovyya k Rossii i miru o priznanii: chto ono dast?" [Transnistria's 1001st appeal to Russia and the world for recognition: What will it achieve?], *Tiras*, 17 April 2014, <http://tiras.ru/jeksperty/40161-1001-e-obraschenie-bridnestrovyya-k-rossii-i-miru-o-priznanii-chto-ono-da-st.html> (accessed 9 June 2016).

<sup>46</sup> "Ukraine: Irrelevant by Choice" is the verdict of Nicu Popescu and Leonid Litra in *Transnistria: A Bottom-Up Solution*, ECFR Policy Brief 63 (London: European Council on Foreign Relations [ECFR], September 2012), 6.

<sup>47</sup> Witold Rodkiewicz, ed., *Transnistrian Conflict after 20 Years: A Report by an International Expert Group* (Warsaw: Centre for Eastern Studies [OSW], October 2011), 18.

agents from Transnistria had participated in attempts to destabilise Odessa.<sup>48</sup> Moreover, long-serving Transnistrian State Security Minister Vladimir Antyufeyev (1992–2012) has played a prominent role in building quasi-state structures in the “Donetsk People’s Republic” while other Transnistrian activists are also active in Ukraine’s eastern breakaway regions. Transnistria could support the separation of southern and eastern regions from the Ukrainian state – floated by President Putin in 2014 under the historic name of “Novorossiia” – with the aim of creating a Russian-controlled land connection to the TMR. To that extent Transnistria’s de facto Moscow-controlled military potential represents a real threat to Ukraine; in view of its proximity to Odessa and Moscow’s “New Russia” rhetoric, Transnistria has become directly embroiled in the Russian-Ukrainian conflict.

In view of the new threats on its south-western border, Kiev has instituted a series of counter-measures during the past two years. These include:

- ▶ Stepping up border controls along the Transnistrian section of the Moldovan-Ukrainian border;
- ▶ Strengthening of border fortifications, including construction of deep trenches at vulnerable points (about three metres deep and three metres wide), whose total length now amounts to 45.5 kilometres;
- ▶ Entry bans on members of the TMR leadership;
- ▶ Entry bans for Transnistrian men with Russian citizenship;
- ▶ Ban on Russian military transports through Ukrainian territory, which in the longer term will create supply problems for Russian forces in Transnistria;
- ▶ Intensification of action against corruption and illicit trading;
- ▶ Ban on the import and export of the most important categories of goods subject to excise duties (above all alcohol and cigarettes).

Two bilateral agreements between Kiev and Chişinău concluded in early November 2015 with the support and mediation of the European Union Border Assistance Mission (EUBAM) are also of great significance, and evidence of improved cooperation. Firstly, it was agreed to exchange data on movements across the shared border automatically and in real time. And for the strategically most important border crossing Pervomaisc–Kuchurhan (with three million annual crossings), located in the Transnistrian section of the border on the main road to Odessa, it was decided to establish a joint control point. Other joint border posts are to follow. EUBAM believes the agreements possess the potential to improve transparency and security at the border and facilitate free legal movement of people and goods.<sup>49</sup> In the words of the head of the Moldovan border police, this has fulfilled the long-standing Moldovan dream of extending the young republic’s presence

<sup>48</sup> “Das explosive Erbe der Sowjetzeit”, *Deutsche Welle* (online), 1 December 2015, <http://www.dw.com/de/das-explosive-erbe-der-sowjetzeit/a-18886510> (accessed 9 June 2016).

<sup>49</sup> EUBAM (ed.), *EUBAM Annual Report, 1 December 2014 – 30 November 2015*, 27, [http://eubam.org/wp-content/uploads/2015/12/Report\\_2015\\_ENGL.pdf](http://eubam.org/wp-content/uploads/2015/12/Report_2015_ENGL.pdf) (accessed 9 June 2016).

and control to the Transnistrian section of its external borders.<sup>50</sup> Kiev's accommodation in this question is attributable equally to security considerations, to efforts to fight corruption and illicit trade in the Odessa region, and to fulfilling the requirements of the EU Visa Liberalisation Action Plan.

These resolute Ukrainian measures have hurt the TMR, especially given Odessa's role as the hub for Transnistrian trade. The TMR leadership has also profited greatly from smuggling and illicit trade, so it is no surprise that Tiraspol has joined Moscow in expressing frequent and sharp criticism of these changes to the border regime, which it characterises as a "blockade". Kiev possesses a series of other levers which it could bring into play, for example to deliberately isolate and weaken the TMR regime in response to further Russian aggression. These would include disruption of Transnistrian imports and exports, energy supplies and transport and telecommunications connections. As such, the new situation has above all exposed the TMR's great vulnerability, created by its geographical situation and exacerbated by the changing political constellation.<sup>51</sup> While regarding itself as an outpost of the "Russian world", TMR now finds itself squeezed between two states looking in the opposite political direction. Tiraspol is currently actively avoiding anti-Ukrainian propaganda in order not to unnecessarily provoke Kiev.

The idea of independence for Transnistria – based on the founding myth of "defence against Romanian fascists" and glorification of the "heroic war" of 1992 – and the commitment to a close alliance with Russia are practically "state doctrine" in TMR. The powerful security apparatus ensures that no politician, no NGO and no media outlet publicly challenges that set of ideas. No deviation is discernible, even after the main domestic political conflict – competition for resources and influence between the state leadership under President Yevgeny Shevchuk and the Sheriff group that dominates the region's private sector – sharpened in 2015. Until 2014 the activities of the (politically marginal) Ukrainian ethno-cultural organisations and their funding from Kiev were certainly compatible with the "state doctrine", especially given that the TMR leadership was also pursuing close ties with Ukraine. Amidst the current tensions between Kiev and Tiraspol, however, the situation of the ethnic Ukrainians in Transnistria

**50** "Zamykaya krug: Kishinev ustanavlivaet kontrol nad pridnestrovskim uchastkom granitsy" [Circle closed: Chişinău establishes control points on Transnistrian section of border], *Newsmaker.md* (online), 6 November 2015, <http://newsmaker.md/rus/novosti/zamykaya-krug-kishinev-ustanavlivaet-kontrol-nad-pridnestrovskim-uchastkom-granits-19455> (accessed 24 June 2016).

**51** Ruslan Shevchenko, "Kak Pridnestrovye prevrashchalos v rezervatsiyu" [How Transnistria became a reservation], *Moldova blog*, 9 August 2014, [http://statulmoldovenesc.blogspot.de/2014/08/blog-post\\_9.html](http://statulmoldovenesc.blogspot.de/2014/08/blog-post_9.html); Leonid Litra, "Pridnestrovye – eshche odna ugroza Ukraine?" [Is Transnistria still a danger to Ukraine?], *ZN.UA* (online), 6 February 2015, [http://gazeta.zn.ua/international/pridnestrove-esche-odna-ugroza-ukraine\\_.html](http://gazeta.zn.ua/international/pridnestrove-esche-odna-ugroza-ukraine_.html) (accessed each 9 June 2016).

has become more difficult.<sup>52</sup> In June 2015 the Ukrainian organisations felt compelled to issue a public declaration denying any discrimination of the Ukrainian minority in Transnistria and reaffirming their loyalty to the TMR.<sup>53</sup> A countervailing pressure is also discernible: Transnistrian industry, which is tightly linked to Ukraine and reliant on good relations, is pressing for a strengthening of the Ukrainian vector of foreign relations. The first sign of this was in January 2016, with the appointment of the reputedly pro-Ukrainian veteran politician Vladimir Bodnar as the TMR president's parliamentary representative following the November 2015 elections.

Massive restrictions on freedoms of opinion, expression, assembly and association make it impossible to reliably assess the actual attitudes of the population. In view of decades of influence through propaganda and bias in education it can be assumed that a large part of the population fundamentally approves of the pro-Russian political orientation and more or less shares the intensely propagated hostility towards the United States, NATO, the European Union and Romania. A majority – possibly with the exception of the ethnic Moldovans – also appears to identify personally with the TMR.<sup>54</sup> In view of the frequent calls to join the Russian Federation, however, a real will to pursue a permanent existence as an independent state is not discernible in Transnistrian politics and society.

Great doubts surround the economic viability of the TMR, whose economy is strongly characterised by corruption, lack of investment and urgent need for reforms. The region's industry is based above all on a few large exporters.<sup>55</sup> In 2014 TMR's current account deficit hit an astronomical 93 percent. Direct and indirect funding from Russia (gas supplies on unsecured loans, direct financial aid, infrastructure projects, social welfare projects run by Russian parastatal organisations, remittances from Transnistrian migrant workers in Russia) is crucial for the region's economic survival and secures considerable influence for Moscow.<sup>56</sup> In exports, on the other hand, the EU market has steadily gained at Russia's expense, despite vigorous efforts by Moscow and Tiraspol to stimulate the trade relationship. While almost half of Transnistria's exports go to the rest of Mol-

<sup>52</sup> Ruslan Shevchenko, "Analiticheskiy doklad Instituta effektivnoy politiki: Situatsiya v Pridnestrovye: 2015 god" [Analytical report of the Institute for Effective Policy: Situation in Transnistria: 2015], *Institut effektivnoy politiki* (online), 12 January 2016, <http://iep.md/analytic/0239-Analiticheskij-doklad-Situatsiya-.phtml> (accessed 9 June 2016).

<sup>53</sup> "Ukraintsy PMR: Kto zatevaet igru 'Zashchitim ukraintsev Pridnestrovya?'" [Who will start the game "Let's protect Transnistria's Ukrainians?"], *IA Regnum* (online), 8 June 2015, <http://regnum.ru/news/1931731.html> (accessed 9 June 2016).

<sup>54</sup> Mariska Kappmeier, *Where Is the Trust? – Conflict and Trust Assessment between Large-Group Conflict Parties for 3rd Parties Conflict Intervention* (Ph.D. diss., Hamburg University, 2012), 243f.; for a current survey see Cristi Vlas, "Poll: 86% of People of Transnistria Think Adhering to Russia Is the Most Optimal Way of Development", *Moldova.org* (online), 20 June 2016, <http://www.moldova.org/en/poll-86-people-transnistria-think-adhering-russia-optimal-way-development/> (accessed 24 June 2016).

<sup>55</sup> Kamil Całus, *An Aided Economy: The Characteristics of the Transnistrian Economic Model*, OSW Commentary 108 (Warsaw: Centre for Eastern Studies, 14 May 2013).

<sup>56</sup> Adrian Lupușor et al., *Economic Risks Faced by Transnistrian Region in 2016–2017*, *Regional Economic Review* 4 (Chișinău: Expert-Grup, July 2016), 6.

dova, two-thirds of “real” exports – those that cross Moldova’s borders – go to the EU, with only 16 percent to the countries of the Eurasian Customs Union (above all Russia). Ukraine also accounts for just 16 percent of TMR exports.<sup>57</sup> Given that Transnistria can only obtain the necessary export certificates in Chişinău, the TMR’s “real” exports are formally part of Moldova’s foreign trade.

The outbreak of the crisis over Ukraine has noticeably worsened Transnistria’s economic environment. Almost all its trading partners are mired in recession and aid from Russia has shrunk, leaving Transnistria itself now experiencing an unprecedented economic crisis. GDP declined by about 20 percent in 2015 and is expected to decline by another 5 or 6 percent in 2016.<sup>58</sup> Considerable arrears that have accumulated in pensions and public salaries since 2014 are to be gradually reduced this year with the help of a major loan, probably Russian.<sup>59</sup> Many interpret TMR President Shevchuk’s insistent assertions of loyalty to Moscow over the past two years as “begging” for further aid.

Another major threat to the TMR economy was averted at the very last minute at the end of 2015. The creation of a Deep and Comprehensive Free Trade Area (DCFTA) between the European Union and the Republic of Moldova fundamentally changed the legal basis for TMR’s trade with the European Union. Up until this point Transnistrian businesses had enjoyed good access to the EU market through autonomous trade preferences granted by Brussels. The loss of those would have caused a sharp fall in exports and led to an estimated drop of more than 5 percent in TMR’s GDP. After long negotiations between Brussels, Chişinău and Tiraspol the EU-Moldova Association Council decided on 18 December 2015 to expand the free trade area to the entire territory of Moldova, so that TMR now profits from the DCFTA trade preferences and will de facto gradually apply the Association Agreement.<sup>60</sup> Because this runs absolutely counter to the external orientation propagated by Tiraspol, all involved apparently agreed to keep the details of the agreement confidential in order to allow the TMR to save face. It appears that the new arrangement represents a kind of gentlemen’s agreement. According to press reports, TMR must initially abolish import duties for only half the goods it imports from the EU, with a two-year transitional period granted for the remainder. Tiraspol also agrees to introduce a value added tax and cooperate with Chişinău on implementation of the technical regulations of the free trade area. Implementation will be veri-

<sup>57</sup> Calculated from data in “Pridnestrovskiy eksport v 2015 godu upal na 17%, import – na 30%” [Transnistrian exports fall by 17 percent in 2015, imports by 30 percent], *Novosti Pridnestrovyia*, 17 December 2015.

<sup>58</sup> Adrian Lupuşor et al., “Transnistrian Economy at Crossroads?”, *Regional Economic Review: Transnistrian Region* (Chişinău, Expert-Grup), no. 3 (December 2015): 9.

<sup>59</sup> “Parlament Pridnestrovyia provedet rassledovanie nedoplaty zarplat i pensiy” [Transnistrian parliament to investigate non-payment of wages and pensions], *IA Regnum* (online), 14 January 2016, <http://regnum.ru/news/economy/2053604.html>.

<sup>60</sup> *Official Journal of the European Union*, L336, vol. 58, 23 December 2015, 93f.



fied in annual reports, thus allowing preferential EU market access to be withdrawn if TMR fails to cooperate adequately.<sup>61</sup>

### Conflict Regulation and Options for the Political Elites

The two key developments in the past two years – the crisis over Ukraine and Moldova’s Association Agreement with the EU – have narrowed the scope open to the Transnistrian leadership. At the same time, the dramatic economic crisis has intensified the entity’s dependency on Russia. TMR faces a serious dilemma. The uncompromising loyalty to Russia propagated for years by Tiraspol and shared by large parts of the population exacerbates Transnistria’s alienation from Moldova and Ukraine, upon which it is highly dependent on account of its geographical situation and close economic ties. This stands out all the more sharply when Chişinău and Kiev cooperate closely, as is currently the case. TMR’s extreme financial dependency on Russia is hard to reconcile politically with a growing westward orientation of exports. Closure to the EU market would considerably worsen an already difficult economic and social situation, while an explicit turn to the EU could lead to the loss of Russian aid and thus the collapse of the self-proclaimed state.

Chişinău also faces a dilemma: Reintegrating Transnistria would come at enormous economic cost, given its growing debt and the expected loss of Russian funding. And at the same time, the accession of Transnistria’s pro-Russian electorate would endanger Moldova’s pro-European political orientation. Moreover, the structural integration of a region with strong autonomous rights into a hitherto unitary state creates political risks, especially in view of existing (but weaker) territorial autonomy (Gagauzia) and potential autonomy strivings (Taraclia, Bălţi). A large section of the Moldovan elites currently sees no possibility for conflict regulation and hopes that the growing attractiveness of Moldova following convincing progress on the road towards the European Union might open the door for reunification. That does not presently appear likely.

Fundamentally a resolution involving Transnistria’s reintegration into Moldova is certainly conceivable: There are neither unbridgeable differences of mentality between the societies nor deeply-rooted hatred between the two sides of the Dniester. For an autonomy arrangement a compromise based on existing federal or autonomy models is conceivable. Moldova takes minority protections seriously, and a constitutional right of secession for Transnistria and Gagauzia could be instituted for the unlikely eventuality of unification with Romania. A greater obstacle would be the Transnistrian elites’ vested interests in permanent and undisturbed control over the region’s economic resources.

<sup>61</sup> “Stali izvestny detali yevropeyskoi integratsii Pridnestrovyya” [Details of European Integration of Transnistria revealed], *Dniester News and Comments* (online), 17 December 2015, <http://www.dniester.ru/node/13754>; “Pridnestrovyye ukhodit v Yevrosojuz” [Transnistria goes to EU], *Nezavisimaya gazeta*, 29 December 2015, [http://www.ng.ru/cis/2015-12-29/1\\_pridnestrovie.html](http://www.ng.ru/cis/2015-12-29/1_pridnestrovie.html) (both accessed 9 June 2016).

The truly decisive factor, however, is and remains Russia. Some sections of the Russian elites appear to sympathise with the option of completely integrating Transnistria into the Russian Federation, whether for personal business reasons or nationalist motives.<sup>62</sup> But seen from the Kremlin's perspective, that would probably mean the rest of Moldova completely leaving Russia's sphere of influence. This is obviously why Moscow continues to adhere to a geopolitical line where the TMR is essentially an instrument of policy towards Moldova. In fact in the course of the crisis over Ukraine the TMR has gained a further dimension for Moscow: the Transnistria conflict represents a resource that can be used to realise political and military goals vis-à-vis both Moldova and Ukraine. To that extent a resolution would only be acceptable to Moscow if the terms spelled out in the Kozak Memorandum – continuing Russian military presence and de facto guarantees against Western integration of Moldova – were fulfilled. Such a solution is in fact discussed in relation to the possibility of the Moldovan Socialist Party coming to power.<sup>63</sup> Absent such a change of government, Moscow, Tiraspol and Chişinău all regard the status quo as the best option.

**62** Theodor Tudoroiu, "The European Union, Russia, and the Future of the Transnistrian Frozen Conflict", *East European Politics and Societies* 26, no. 1 (2012): 135–61 (149); Andrey Devyatkov, *Giving "Asymmetric Response" to the EU: Russian Soft Power Experiment in Transnistria*, CEURUS EU-Russia Paper 17 (Tartu: Centre for EU-Russia Studies [CEURUS], March 2014), 8f.; Johann Wolfschwenger, *The Russian Dimension in the Transnistrian Conflict – Possibilities for Conflict Resolution*, REEES Public Policy Research Paper 4 (Graz: Russian East European and Eurasian Studies Centre [REEES], 2014).

**63** "Izvestny usloviya obyedineniya Moldovy i PMR" [Preconditions for unification of Moldova and Transnistria are known], *Dniester News and Comments* (online), 4 August 2015, <https://dniester.ru/node/13051> (accessed 9 June 2016).

# The Conflicts over Abkhazia and South Ossetia in Light of the Crisis over Ukraine

Sabine Fischer

The causes of the conflicts over Abkhazia and South Ossetia date back long before the secessionist wars of the early 1990s. The integration of Georgia, Abkhazia and South Ossetia into tsarist Russia was already a conflictual process, as was their later absorption into the ethnicity-based federal structure of the Soviet Union. Tensions over questions of autonomy and status persisted throughout the Soviet period. Especially in Abkhazia protest movements calling for greater political and cultural independence from Tbilisi emerged at repeated intervals.<sup>1</sup> The Georgian elites in turn railed against Russian dominance. In conflicts with Georgia, Abkhazia and South Ossetia sought backing and support from Moscow, which found itself in the convenient position of being able to play all three parties off against each other.<sup>2</sup> In this manner Georgia, Abkhazia and South Ossetia became thoroughly entangled in a web of discriminatory structures in which they were all both victim and perpetrator.

The situation was aggravated by the demographic situation in both regions. The last Soviet census in 1989 put the total population of South Ossetia at about 98,000, of which about 65,000 were ethnic Ossetians.<sup>3</sup> The overwhelming majority of ethnic Ossetians, numbering about 450,000, live in North Ossetia on the Russian side of the Caucasus.<sup>4</sup> Unlike the Ossetians, the Abkhaz have been a minority in their own region since the beginning of the twentieth century. In the second half of the nineteenth century, during the wars accompanying the integration of the Caucasus into tsarist Russia, up to half a million Abkhaz and many members of other Caucasian groups emigrated to the Ottoman Empire.<sup>5</sup> At the same time the tsarist empire relocated Russians, Greeks, Armenians and Balts to Abkhazia.

<sup>1</sup> Christoph Zürcher, *The Post-Soviet Wars: Rebellion, Ethnic Conflict, and Nationhood in the Caucasus* (New York, 2007), 120f.

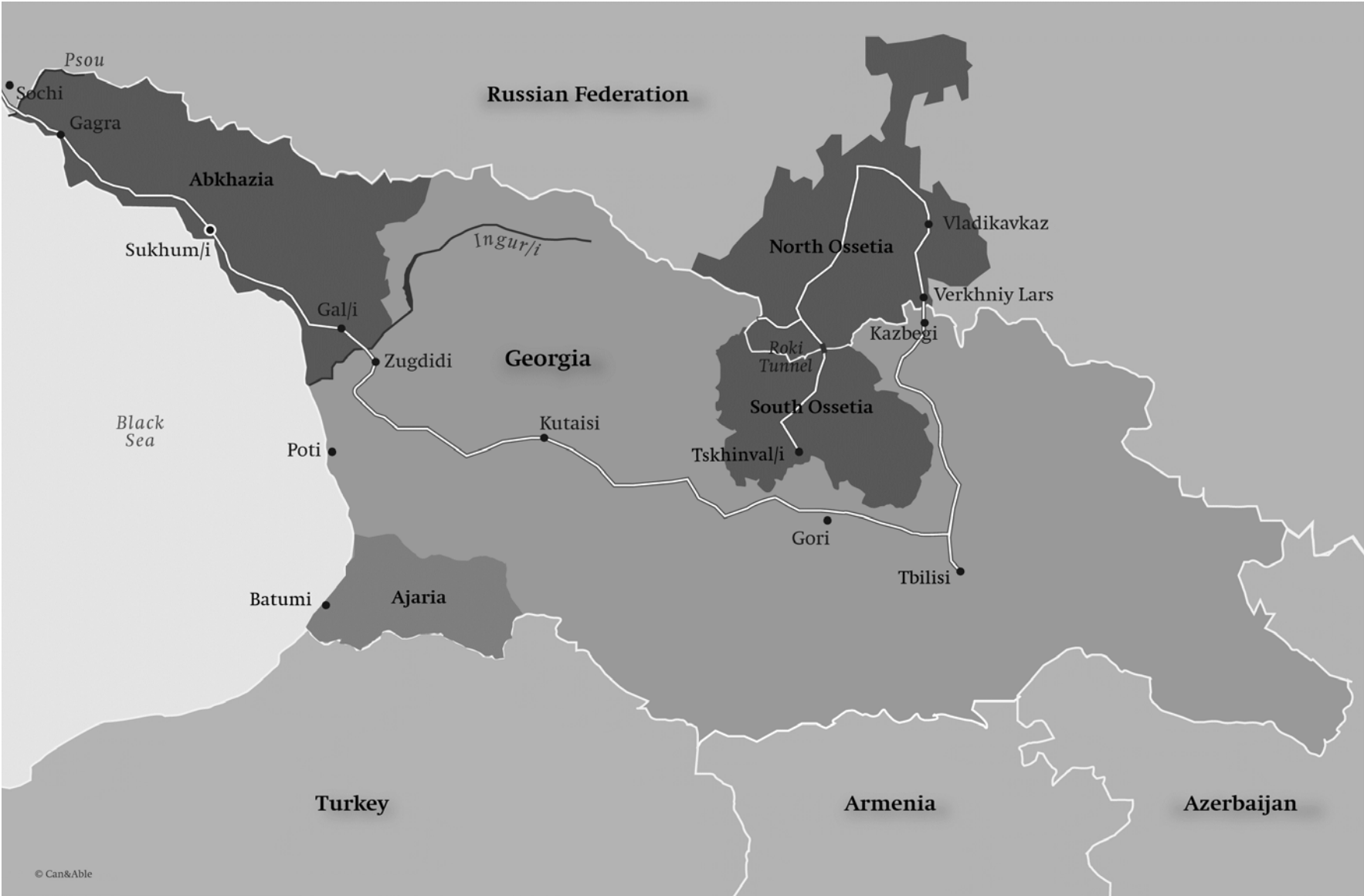
<sup>2</sup> Ronald Grigor Suny, *The Making of the Georgian Nation* (Bloomington, 1994), 304ff.

<sup>3</sup> The other significant ethnic groups were Georgians (about 28,000, 29 percent) and Russians (about 2,000, 2.2 percent), *Demoskop Weekly*, no. 675–676, [http://demoscope.ru/weekly/ssp/resp\\_nac\\_89.php?reg=67](http://demoscope.ru/weekly/ssp/resp_nac_89.php?reg=67) (accessed February 2016); International Crisis Group (ICG), *Georgia: Avoiding War in South Ossetia*, Europe Report no. 159 (Tbilisi and Brussels, 26 November 2004), 5.

<sup>4</sup> Federalnaya sluzhba gosudarstvennoy statistiki [Federal State Statistics Service], *Vse-rossiyskaya perepis naseleniya 2010* [All-Russian census 2010], [http://www.gks.ru/free\\_doc/new\\_site/perepis2010/croc/perepis\\_itogi1612.htm](http://www.gks.ru/free_doc/new_site/perepis2010/croc/perepis_itogi1612.htm) (accessed February 2016).

<sup>5</sup> This mass emigration is known as the “Makhadshirstvo”.

Map 3: The conflicts over Abkhazia and South Ossetia



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Mingrelian Georgians settled in south-eastern Abkhazia (Gal/i).<sup>6</sup> This migration continued into the Soviet era. According to the Soviet census Abkhazia had about 525,000 inhabitants in 1989, of whom about 17 percent were Abkhaz, 47 percent Georgians, 14 percent Armenians, 13 percent Russians and 10 percent other nationalities.<sup>7</sup> Even if much of the Georgian population was concentrated in Gal/i, the population was mixed across the Autonomous Republic of Abkhazia.

### **The 1992–1994 Wars of Secession and their Consequences**

During the collapse of the Soviet Union the latent conflicts erupted into bloody wars between a nationalist Georgian government under President Zviad Gamsakhurdia and secessionist movements in South Ossetia and Abkhazia.

In South Ossetia the war lasted from early 1991 to mid-1992 and cost about one thousand lives. Figures for the numbers of refugees and internally displaced persons (IDPs) range between forty thousand and one hundred thousand depending on the source and conflict party.<sup>8</sup> The economic damage in already underdeveloped South Ossetia was enormous. Russia acted ambivalently, emphasising the territorial integrity of Georgia while lending sporadic support to the South Ossetian fighters. Under the terms of a cease-fire agreement signed in June 1992 in Sochi, a Joint Control Commission (JCC) was established with representatives of Georgia, South Ossetia, North Ossetia and Russia. Representatives from the OSCE also took part. A Georgian/Ossetian/Russian Joint Peace-Keeping Force (JPKF) was established under Russian command.

From the a Georgian perspective the composition of both the JCC and the JPKF was disadvantageous, with the North Ossetian and Russian presence giving the South Ossetian separatists the overhand. Tbilisi regarded the JPKF less as a peacekeeping force than a Russian force of occupation. Between 1992 and 2009 the negotiations in the JCC repeatedly ground to a standstill and there were regular outbreaks of fighting along the line of contact.<sup>9</sup> At the same time the JCC provided a forum for direct communication between the parties. The Sochi Agreement also entailed economic reconstruction for South Ossetia. After a long blockade, an Economic Reconstruction Programme (ERP) was established in 2006 at the initiative of the OSCE mission, with the participation of twenty donor states and the

<sup>6</sup> In many cases the parties use different versions of place names. While Abkhazia and South Ossetia use the standard Russian variants, such as Sukhum, Tskhinval and Gal, the Georgian equivalents are Sukhumi, Tskhinvali and Gali. This publication uses neutral alternatives: Sukhum/i, Tskhinval/i, Gal/i.

<sup>7</sup> *Demoskop Weekly*, no. 675–76 (see note 3).

<sup>8</sup> ICG, *Georgia-South Ossetia: Refugee Return the Path to Peace*, Europe Briefing 38 (Tbilisi and Brussels, 19 April 2005), 4f.

<sup>9</sup> ICG, *Georgia: Avoiding War* (see note 3), 11ff.

European Union.<sup>10</sup> The OSCE mission also promoted confidence-building measures between Georgians and Ossetians.<sup>11</sup>

The war for Abkhazia lasted from August 1992 to May 1994. About ten thousand people died, about two-thirds of them civilians. Here too, Russia played an ambiguous role, alternately supporting either side. As events progressed, however, Moscow stepped up its support for the Abkhaz separatists, placing the collapsing Georgian state under increasing military pressure. The Abkhaz counter-offensive in summer 1993 forced almost the entire Georgian population of Abkhazia to flee, about 250,000 people.<sup>12</sup> To date only about 40,000 to 50,000 Georgians have returned to the Gal/i region on the Abkhaz side of the line of contact.<sup>13</sup>

The Moscow cease-fire agreement ended the fighting in May 1994. The peace-keeping force (CISPKF) stipulated in the agreement was nominally supplied by the Commonwealth of Independent States (CIS), but in fact comprised exclusively Russian troops. The (unarmed) United Nations Observer Mission in Georgia (UNOMIG) was charged with monitoring observance of the cease-fire. Georgian-Abkhaz peace talks were held in the scope of the UN-moderated Geneva process. The situation along the line of contact remained tense, with repeated outbreaks of violence involving criminal gangs and smugglers, as well as armed units from both sides. The security situation was especially precarious in the Georgian-settled Gal/i district.<sup>14</sup> Heavy fighting in August 1998 left hundreds dead in Gal/i and shattered Georgian trust in the CIS peacekeeping forces.<sup>15</sup>

The Rose Revolution and Mikheil Saakashvili's accession to power injected dynamism into Georgian politics. The new leadership tied domestic political and economic reforms to a foreign policy of Euroatlantic integration and the desire to reunify Georgia as rapidly as possible. Offers to reach an understanding with Abkhazia and South Ossetia alternated with harsh

**10** Organisation for Security and Co-operation in Europe (OSCE), *Economic Rehabilitation*, <http://www.osce.org/georgia-closed/44631>. The EU, with €2 million, was the largest donor to the ERP, followed by the United States. See Jean-Christophe Peuch, "Georgia Pledges More Aid to Promote South Ossetia's Reconstruction", *Eurasianet.org*, 4 November 2007, <http://www.eurasianet.org/departments/insight/articles/eav110507a.shtml> (accessed October 2015).

**11** ICG, *Georgia: Avoiding War* (see note 3), 19ff.

**12** Greg Hansen, "Displacement and Return", in *A Question of Sovereignty: The Georgian-Abkhaz Peace Process* (Conciliation Resources, *Accord 7*) (London, 1999), 58–63. Georgia describes the displacement of the Georgian population from Abkhazia as ethnic cleansing. While the term is also found in a series of OSCE documents from the 1990s, it is internationally contested. The Abkhazian side has always rejected it, and instead accuses Georgia of attempted genocide.

**13** Rather than residing permanently in Gal/i, these people, largely peasants, migrate between Gal/i and Zugdidi on the Georgian side. Neither Tbilisi nor Sukhum/i officially recognise them as returnees.

**14** ICG, *Abkhazia Today*, Europe Report 176 (Tbilisi and Brussels, 15 September 2006).

**15** Oksana Antonenko, "Frozen Uncertainty: Russia and the Conflict over Abkhazia", in *Statehood and Security: Georgia after the Rose Revolution*, ed. Bruno Coppieters and Robert Legvold (Cambridge, 2005), 205–70 (223f).

nationalist rhetoric.<sup>16</sup> The speed with which Tbilisi restored its control over Adjara in 2004 initially appeared to justify that course. The Georgian leadership sought to internationalise the conflicts, declaring Russia the main enemy and calling the political leaderships in Sukhum/i and Tskhinval/i criminal shadow regimes and puppets of Moscow. At the same time Tbilisi intensified its cooperation with the United States, NATO and the European Union and attempted to secure them greater weight in the peace processes in order to strengthen its own position vis-à-vis Moscow. Russia vehemently rejected Saakashvili's Euroatlantic ambitions, in particular Georgia's desire to join NATO. The years leading up to 2008 were characterised by growing polarisation and confrontation at various levels, but also by peace initiatives from the conflict parties, the OSCE and the UN.<sup>17</sup>

Until 2008 the political situation in South Ossetia was tense but relatively open; the settlement structure remained mixed. South Ossetia had yet to recover from the economic repercussions of the war in the early 1990s. Unclear status questions in connection with South Ossetian infrastructure and the border crossing to Russia stifled trade and created conditions where smuggling and black marketeering flourished to become the main source of income.

After 1994 Abkhazia was almost completely isolated. Alongside Georgia's economic blockade the CIS also imposed an embargo in 1996. Russia supported the embargo in return for Georgia's cooperation in the fight against Chechen separatists who had taken refuge in Georgian territory.<sup>18</sup> The Abkhaz economy in the 1990s was based exclusively on remittances from Abkhaz generally living in Russia, sparing Russian aid and informal economic relations with Russia and Turkey, including smuggling. In Abkhazia too, the immense war damage was not repaired until well into the 2000s. Agriculture and tourism lay idle.

Matters began to improve in the early 2000s, as Russia gradually relaxed its policy of isolation. Now Moscow permitted more trade between Abkhazia and adjacent Russian areas. And at the same time the Russian authorities began issuing passports to residents of Abkhazia and South Ossetia.<sup>19</sup> As a result the informal dependency of Abkhazia and South Ossetia grew continuously from the early 2000s to the Russo-Georgian War of 2008.

Political institutions emerged in both entities, and functioned as a framework for a political process and regular elections.<sup>20</sup> Political elites organised in parties and movements and competed for power. During the 2000s Russian support played an ever-growing role in the development trajectories of the two de facto states. In Abkhazia, however, Russian influence was only one of several factors. Here, the desire for independence and

<sup>16</sup> Dov Lynch, *Why Georgia Matters*, EUISS Chaillot Paper 86 (Paris: European Union Institute for Security Studies [EUISS], February 2006), 32.

<sup>17</sup> ICG, *Abkhazia: Ways Forward*, Europe Report 179 (Tbilisi and Brussels, 18 January 2007).

<sup>18</sup> Antonenko, "Frozen Uncertainty" (see note 15), 222.

<sup>19</sup> ICG, *Abkhazia Today* (see note 14), 14ff.; see also "Russian Policy in the Frozen Conflicts" in this document, 9ff.

<sup>20</sup> Lennart Bültermann, "Abchasien und Südossetien", *Osteuropa-Recht* 62, no. 1 (2016): 66–78.

sovereignty remains marked to this day, and Russia's ambivalent stance during the war of secession and the 1990s left a legacy of tangible mistrust in Abkhazia's elite and society. Moreover, Abkhaz politics is shaped by the desire to protect the Abkhaz nationality, which still makes up only about 30 percent of the population. For these reasons an ethnic Abkhaz power monopoly emerged. In this context other ethnic groups, in particular the Georgian returnees, found themselves marginalised.<sup>21</sup>

The Russo-Georgian War in August 2008 formed a watershed for both South Ossetia and Abkhazia.<sup>22</sup> It marked the climax of a long period of rising tensions not only between the conflict parties themselves, but also in Georgian-Russian relations and between Russia and Western actors such as the United States, NATO and European Union.

In recognising Abkhazia and South Ossetia as independent states, Russia broke openly for the first time with its commitment to the existing post-Soviet borders. In autumn 2008 Moscow concluded "agreements on friendship, cooperation and mutual assistance" with both entities, granted generous budget assistance in the following years and invested in the socio-economic development of the secessionist territories. Pensions and other social benefits are funded largely from the Russian state budget, likewise almost 100 percent of "foreign investment". Health and education services were partially restored with Russian aid. On the basis of "defence alliances", Moscow deployed regular forces in Abkhazia and South Ossetia and supported Sukhum/i and Tskhinval/i in securing their "borders" with Georgia.

The war and Russian recognition further isolated both Abkhazia and South Ossetia from Georgia and from the international community. Especially in the South Ossetia conflict with its hitherto permeable borders, this was a turning-point. The events of 2008 also altered the parties' perceptions. In Georgia they confirmed the image of Russia as aggressor and intensified the feeling of threat and insecurity. Under official Russian patronage, Abkhazia and South Ossetia felt safe from Georgian aggression for the first time.<sup>23</sup> The aftermath of the war caused the societies to drift apart even more quickly than in the years before 2008. The realities of generations growing up in Abkhazia and South Ossetia today are utterly defined by isolation.

While the 2008 war merely amplified trends in the secessionist territories' relationships with Russia and Georgia, it created fundamentally new constellations at the international level. After Moscow's recognition of Abkhazia and South Ossetia, Russia and the West were no longer able to

<sup>21</sup> Franziska Smolnik, *Secessionist Rule: Protracted Conflict and Configurations of Non-state Authority* (Frankfurt and New York: Campus, 2016).

<sup>22</sup> On the causes, triggers, course and consequences of the war, see Independent International Fact Finding Mission on the Conflict in Georgia, *Report*, 3 vols. (n. p., September 2009).

<sup>23</sup> Gerard Toal and John O'Loughlin, "Inside South Ossetia: A Survey of Attitudes in a De Facto State", *Post-Soviet Affairs* 29, no. 2 (2013): 136–72. Interviews by the author during numerous research trips to Abkhazia, 2008 to 2016.



agree on status and mandates for the missions of the UN and the OSCE. With their closure the non-Russian international presence disappeared from Abkhazia and South Ossetia, while Moscow now established regular military bases in both regions in place of the peacekeeping forces. The Six-Point Peace Plan agreed between Presidents Sarkozy and Medvedev, whose fifth point was for Russian forces to withdraw behind their positions before the fighting broke out on 7 August 2008, remains unimplemented to this day. The old formats were succeeded by the Geneva International Discussions, where both conflicts are negotiated jointly.<sup>24</sup> Here, Russia continues to insist on a mediating role alongside the co-chairs OSCE, UN and EU. The European Union plays an important role in the peace process as a co-chair and through its observer mission since 2008. While Georgia welcomed this, suspicions have grown in Abkhazia and South Ossetia, where the EU is perceived as pro-Georgian.

### Georgia since 2014

The annexation of Crimea and the war in Donbas triggered a wave of Georgian solidarity with Ukraine. Moscow's aggression against Kiev was understood as a continuation of its policy in the Georgian secession conflicts. At the same time fears abounded that Russia would now also accelerate the "creeping annexation" of Abkhazia and South Ossetia.

As a result, Georgia has been pushing even harder for Euroatlantic integration since the beginning of the crisis, first and foremost by implementing its Association Agreement with the EU, and by deepening cooperation with NATO. In 2014 NATO and Georgia agreed a Substantial NATO-Georgia Package including a new military training centre and NATO exercises in Georgia.<sup>25</sup> While Georgia's continued lobbying for a Membership Action Plan (MAP) in advance of the July 2016 NATO summit in Warsaw was unsuccessful, Tbilisi and the Alliance did agree on several steps to intensify

<sup>24</sup> The Geneva International Discussions have been held several times each year since 2008, in working groups on security and humanitarian questions. The most important success of the first working group was the establishment of the Incident Prevention and Response Mechanism (IPRM), which provides for regular meetings between security forces at the respective lines of contact and the European Union Monitoring Mission (EUMM). However, it has proven extremely difficult to implement the mechanism. In Abkhazia political conflicts left it suspended between 2012 and spring 2016; as this study went to press it was being reactivated in protracted talks. In South Ossetia, too, IPRM implementation has repeatedly come to a standstill. Two central points of disagreement block progress in the Geneva talks: Abkhazia and South Ossetia demand an agreement on renunciation of use of force, which Tbilisi is only willing to conclude with Russia (referring Abkhazia and South Ossetia instead to various existing official declarations); Georgia in turn demands a right of return to Abkhazia and South Ossetia for Georgians displaced during the early 1990s and the 2008 war, which Sukhum/i and Tskhinval/i absolutely refuse.

<sup>25</sup> "NATO Chief Lays Out Package to 'Bring Georgia Closer' to Alliance", *Civil.ge*, 1 September 2014, <http://www.civil.ge/eng/article.php?id=27631> (accessed October 2015).

their cooperation.<sup>26</sup> Tbilisi is working hard to implement the provisions of the Association Agreement and the Deep and Comprehensive Free Trade Area with the European Union. It has also made such good progress in talks with the EU on visa-free travel that the process can probably be completed in 2016.<sup>27</sup> Tbilisi also joined the EU sanctions against the annexation of Crimea, but none of the further-reaching financial and sectoral economic sanctions.<sup>28</sup>

The Georgian Dream coalition took power in 2012 with the intention of normalising Georgia's relations with Russia.<sup>29</sup> Since autumn 2012 the Georgian diplomat Zurab Abashidze, envoy for Georgia's relations with Russia, has been conducting a dialogue with Russian Deputy Foreign Minister Grigory Karasin. These talks have mainly achieved economic progress: since 2013 Georgia has been able to resume exporting wine, mineral water and agricultural products to Russia. Russia's share of Georgian trade has since risen noticeably to reach 7.4 percent of exports in 2015 (2011: 1.7) and 8.2 percent of imports (2011: 5.5). This still leaves it far behind the European Union, which in 2015 accounted for 29 percent of Georgia's exports and 32 percent of its imports.<sup>30</sup> Conditions at the Georgian-Russian border crossing Verkhniy Lars–Kazbegi were also relaxed. The fundamental rift over Abkhazia and South Ossetia, however, prevented any noticeable improvement in political relations. In view of the deterioration of the geopolitical context this is unlikely to change in the foreseeable future.<sup>31</sup>

The debate over Russia's actions in Ukraine also further polarised the political discussion in Georgia. Although both the government and the op-

**26** “Joint Statement of the NATO-Georgia Commission at the Level of Foreign Ministers”, 8 July 2016, Warsaw, Poland, [http://www.nato.int/cps/en/natohq/official\\_texts\\_133175.htm?selectedLocale=en](http://www.nato.int/cps/en/natohq/official_texts_133175.htm?selectedLocale=en) (accessed September 2016).

**27** At the end of 2015 the ministry of reconciliation announced measures making it easier for residents of Abkhazia and South Ossetia to receive (Georgian) biometric passports, in order to benefit from upcoming freedom of travel arrangements with EU countries. “Vlasti Gruzii zayavili ob uproshchenii vydachi biometricheskikh pasportov zhitel'nyam Abkhazii i Yuzhnoy Ossetii” [Georgian government announces easing of conditions for biometric passports for residents of Abkhazia and South Ossetia], *Kavkazskiy Uzel*, 20 December 2015, <http://www.kavkaz-uzel.ru/articles/274632/> (accessed February 2016).

**28** “Tbilisi ne priderzhivaetsya sanktsiy protiv Rossii v tselom” [Tbilisi not adhering fully to sanctions against Russia], *Kommersant*, 30 July 2015, <http://www.kommersant.ru/doc/2778775> (accessed November 2015).

**29** Sabine Fischer and Uwe Halbach, *Change of Government in Georgia: New Emphases in Domestic and Foreign Policy*, SWP Comments 3/2013 (Berlin: Stiftung Wissenschaft und Politik, January 2013), 6ff.

**30** Geostat – National Statistics Office Georgia, *External Trade*, [http://www.geostat.ge/index.php?action=page&p\\_id=137&lang=eng](http://www.geostat.ge/index.php?action=page&p_id=137&lang=eng) (accessed April 2016).

**31** Ivlian Haindrava, “Asimmetriya (k voprosu o gruzinsko-rossiyskikh vzaimootnosheniyakh)” [Asymmetry (on the question of Georgian-Russian relations)], and A. Sushentsov and N. Silaev, “Rossiya i Gruzija: chto za krasnymi liniyami? K dolgosrochnoy povestke dnya rossiysko-gruzinskikh otnosheniy” [Russia and Georgia: What is behind the red lines? On the long-term agenda of Russian-Georgian relations], in “Rossiysko-gruzinskie otnosheniya: v poiskakh novykh putey razvitiya” [Russian-Georgian relations: Searching for a new development path], *Kavkazskiy Uzel*, 3 April 2014, <http://www.kavkaz-uzel.ru/articles/240382/> (accessed February 2016).

position condemn Moscow's actions, the opposition accuses the government of being overly moderate in word and deed. Tbilisi's attempts to uphold the normalisation process and protect its economic gains are criticised as an expression of pro-Russian policy – a suspicion long voiced by the strongest opposition party, the United National Movement (UNM).<sup>32</sup> The UNM expresses great concern over Russia's still significant economic influence in Georgia and the activities of pro-Russian political forces.<sup>33</sup> Since the beginning of the crisis over Ukraine it has been demanding massive political and military support for Kiev.<sup>34</sup> This increased the pressure on the already fragile governing coalition.

Since 2014 Ukrainian President Petro Poroshenko has appointed a number of Georgian politicians and former government officials to his administration. This was viewed with scepticism in Tbilisi as these figures were associates of ousted President Saakashvili. The greatest uproar was caused by the appointment of Saakashvili himself as a prominent advisor to Poroshenko in February 2015, and three months later as governor of the Odessa region. Given that Saakashvili faces – internationally controversial – charges of abuse of office in Georgia, many in Tbilisi regarded his political career in Ukraine as an affront.<sup>35</sup> This generated serious strain in Georgian-Ukrainian relations at governmental level.<sup>36</sup> Although both sides swear mutual support and Georgia remains a major supplier of humanitarian aid to Ukraine, the two countries are today very far from the close alliance that existed between the Saakashvili government and the Orange coalition after the colour revolutions of 2003 and 2004.

The policy towards South Ossetia and Abkhazia announced by Georgian Dream in 2012 was billed as a sharp contrast to that of its predecessor. The

<sup>32</sup> “V Gruzii politicheskiiy krisis: ministry ukhodyat v otstavku, obvinyaya premyera v prorossiyskoy politike” [Political crisis in Georgia: Ministers resign and accuse prime minister of pro-Russian policy], *Vedomosti*, 7 November 2014, <http://www.vedomosti.ru/politics/articles/2014/11/07/rossiya-raskolola-gruziyu> (accessed February 2016).

<sup>33</sup> Sergi Kapanadze, *Georgia's Vulnerability to Russian Pressure Points*, ECFR Policy Memo 106 (London: European Council on Foreign Relations [ECFR], June 2014); Jos Boonstra, *The South Caucasus Concert: Each Playing Its Own Tune*, FRIDE Working Paper 128 (Madrid: Fundación para las Relaciones Internacionales y el Diálogo Exterior [FRIDE], September 2015), 5, <http://www.cascade-caucasus.eu/wp-content/uploads/2015/09/WP-128-ok.pdf> (accessed February 2016); Andrey Makarychev, *The Limits to Russian Soft Power in Georgia*, PONARS Eurasia Policy Memo no. 412 (Washington, D.C., January 2016).

<sup>34</sup> “Parlament Gruzii yedinoglasno utverdil rezolyutsiyu o podderzhke Ukrainy” [Georgian parliament unanimously adopts resolution supporting Ukraine], *Regnum*, 7 March 2014, <http://regnum.ru/news/polit/1775474.html> (accessed November 2015).

<sup>35</sup> As well as Saakashvili, the former Georgian justice minister Zurab Adeishvili, today serving as an advisor to the Ukrainian government, also faces charges in Georgia. Saakashvili was stripped of his Georgian citizenship in December 2015, thus formally losing the right to participate in Georgian politics. However, members of the UNM declared that he would continue to play a political role and exert influence. “Lishenie grazhdanstva ne snizit vliyaniya Saakashvili na politiku Gruzii” [Expatriation does not lessen Saakashvili's influence on Georgian politics], *Kavkazskiy Uzel*, 7 December 2015, <http://www.kavkaz-uzel.ru/articles/273762/> (accessed February 2016).

<sup>36</sup> Vasili Rukhadze, “Are Georgian-Ukrainian Bilateral Relations Deteriorating?”, *Eurasia Daily Monitor* 12, no. 58 (30 March 2015).

law on occupied territories passed shortly after the Russo-Georgian War of 2008 restricted dealings with Abkhazia and South Ossetia and set out punishments for violations.<sup>37</sup> It applies not only to Georgian actors but also to international state and non-state organisations and economic actors. It stipulates that the two entities must only be entered and left through Georgian territory, and only under specific conditions. External actors are forbidden from conducting business in South Ossetia or Abkhazia, and political institutions and office-holders elected or appointed under legislation other than Georgian are treated as illegal. The law was supplemented in 2009 and 2010 by a State Strategy on Occupied Territories that proposed engagement through cooperation and followed the same principles. Both the law and the strategy exclude direct contacts with the political leaderships in Sukhum/i and Tskhinval/i.<sup>38</sup>

Despite criticisms within and outside Georgia, the new government kept the law on occupied territories.<sup>39</sup> In its practical dealings with the contested territories it did, however, seek a new start and worked to defuse the conflict through direct engagement jointly with Abkhazia and South Ossetia. Directly upon taking office in 2012, the new minister of reconciliation,<sup>40</sup> Paata Zakareishvili, sent a string of offers proposing to bring Abkhazia and South Ossetia out of isolation by enabling societal and economic activities across the borders and seeking direct talks with Sukhum/i and Tskhinval/i.<sup>41</sup>

The new turn in Georgian policy has made little impact to date. Responses in Tskhinval/i and Sukhum/i were characterised by mistrust, partly because the law on occupied territories remained in force. There were also differences within the Georgian government, some of whose members rejected the new course. Almost unbridgeable contradictions between the driving forces of Georgian foreign and conflict policy quickly became apparent. In particular Abkhazia, South Ossetia and Russia regarded Georgia's efforts to join NATO as a continuation of Saakashvili's aggressive

<sup>37</sup> *The Law of Georgia on Occupied Territories*, 23 October 2008, <http://www.smr.gov.ge/docs/doc216.pdf> (accessed October 2015).

<sup>38</sup> "State Minister Presents Abkhaz, S. Ossetia Strategy to OSCE", *Civil.ge*, 19 March 2010, <http://www.civil.ge/eng/article.php?id=22103> (accessed October 2015).

<sup>39</sup> An initiative of the state ministry of reintegration to amend certain aspects of the law has yet to be concluded. The Venice Commission has criticised both the law and the planned amendments. European Commission for Democracy through Law (Venice Commission), *Opinion on the 2013 Draft Amendments to the Law on the Occupied Territories of Georgia*, Opinion 744/2013 (Strasbourg, 9 December 2013), [http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2013\)036-e](http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2013)036-e).

<sup>40</sup> Under President Saakashvili the ministry responsible for the separatist entities was renamed the "state ministry for reintegration" provoking strong protests in Abkhazia and South Ossetia. Until his term ended in early 2014, Saakashvili consistently denied the new government's requests to rename it. Today it is called the "state ministry for reconciliation and civic equality".

<sup>41</sup> "Gosministr Zaakareishvili gotov sest za stol peregovorov s Raulem Khadzhimba" [State minister Zakareishvili willing to meet Raul Khadjimba], *Ekho Kavkaza*, 30 August 2014, <http://www.ekhokavkaza.com/archive/news/20140830/3235/2759.html?id=26557879> (accessed November 2015).

stance. The priority accorded to Euroatlantic integration in the wake of the crisis over Ukraine weakens the engagement-seeking currents in Georgian politics.

Another problem is Georgia's persistent economic weakness, with GDP shrinking continuously from 2012 to 2015. The country is still struggling with high unemployment (depending on the methodology up to 50 percent), socio-economic inequality and a strong rural/urban divide. The impact of the Russian recession has been felt in the Georgian economy since 2015.<sup>42</sup> Political conditions are unstable, with coalition crises and cabinet reshuffles the order of the day.<sup>43</sup> This has led to a noticeable disenchantment with politics and the political elites. In a survey conducted in March 2016 just 16 percent supported the Georgian Dream governing coalition and only 15 percent the biggest opposition party, the United National Movement. Approval for the other parties lay between 0 and 9 percent. 29 percent said they felt no attraction to any of the parties, 61 percent were undecided as to which party to support in the upcoming parliamentary elections.<sup>44</sup> The same survey also demonstrated how little trust society places in the ability of the parties and the political elite to resolve domestic and external problems. The most urgent challenges named were fighting unemployment (57 percent) and poverty (30 percent). With 23 percent, the country's territorial integrity also ranked relatively high on the list of priorities.<sup>45</sup> As of the present, detailed surveys on attitudes to the conflicts are unavailable. In 2013 Caucasus Barometer found 73 percent clearly supporting the reintegration of Abkhazia as part of the Georgian state without any special autonomy rights. While 33 percent supported autonomous status, 28 percent explicitly rejected it. 76 percent said they would never accept an independent Abkhazia.<sup>46</sup> As such, the question of territorial integrity continues to represent a political third rail. Remarkably it has played no role so far in the campaign for the parliamentary elections in

<sup>42</sup> Economist Intelligence Unit, *Country Report Georgia*, 17 February 2016.

<sup>43</sup> The Republican Party of Georgia recently announced that it would contest the 8 October 2016 parliamentary elections separately from its Georgian Dream coalition partners. "GD Coalition Members Part Ways for Upcoming Elections", *Civil.ge*, 31 March 2016, <http://www.civil.ge/eng/article.php?id=29075> (accessed March 2016). In July, the Republican members of cabinet, including the State Minister for Reconciliation and Civic Equality, Paata Zarakeishvili, resigned. It remains to be seen whether the Republican Party, which is the strongest supporter of an engagement-oriented policy, will enter the new parliament in October 2016. "Defence Minister, State Minister for Reconciliation Resign, Effective Aug. 1", *Civil.ge*, 29 July 2016, <http://civil.ge/eng/article.php?id=29341> (accessed September 2016).

<sup>44</sup> National Democratic Institute, *Public Attitudes in Georgia*, March 2016, [http://www.ndi.org/files/NDI%20Georgia\\_March%202016%20poll\\_Public%20Political\\_ENG\\_vf.pdf](http://www.ndi.org/files/NDI%20Georgia_March%202016%20poll_Public%20Political_ENG_vf.pdf) (accessed April 2016).

<sup>45</sup> *Ibid.* In a November 2015 survey, 30 percent named territorial integrity as the "most important issue". National Democratic Institute, *Public Attitudes in Georgia*, November 2015, [http://www.ndi.org/files/NDI\\_Winter%20poll\\_2015\\_Public%20presentation\\_ENG\\_version%20FINAL\\_0.pdf](http://www.ndi.org/files/NDI_Winter%20poll_2015_Public%20presentation_ENG_version%20FINAL_0.pdf) (accessed November 2015).

<sup>46</sup> *Caucasus Barometer 2013 Georgia*, [http://caucasusbarometer.org/en/cb2013ge/RC6\\_4/](http://caucasusbarometer.org/en/cb2013ge/RC6_4/) (accessed February 2016).

October 2016. It cannot be ruled out, however, that it will come up again in future.

### Abkhazia since 2014

At first glance, it would appear that Abkhazia's political leadership unreservedly supported Russia's actions in Ukraine.<sup>47</sup> Closer examination, however, reveals a more complex picture. Especially during the first months of the crisis there was great concern that the flow of Russian funds to Abkhazia could dry up if Moscow found itself channelling investment into Crimea's economic development. There were also worries that Russian tourists might heed their government's patriotic appeals and spend their holidays in Crimea rather than Abkhazia. Political and civil society actors warned that the crisis could drag Abkhazia even further into isolation and dependency on Russia.<sup>48</sup> In contrast to Tskhinval/i, Sukhum/i has still not recognised the Donetsk and Luhansk "People's Republics".<sup>49</sup>

In spring 2014 Russian and Abkhaz actors floated the idea of Abkhazia becoming "associated" with Russia, which could also be interpreted as a "symmetrical response" to the Association Agreement between Georgia and the EU.<sup>50</sup> The initiative generated energetic push-back in Abkhazia. Numerous actors spoke out publicly against association, describing it as a threat to Abkhaz independence.<sup>51</sup> This response continued a series of disagreements that have characterised the relationship since Russia's recognition of Abkhazia in August 2008. These include the question of property ownership in Abkhazia (from which Russian citizens remain excluded), the exploitation of oil reserves off the Abkhaz coast, the status of the Abkhaz Orthodox Church (which Russia continues to regard as part of the canonical territory of the Georgian Orthodox Church), and disputes over the exact demarcation of the border between Russia and Abkhazia. All of these issues still remain unresolved between Sukhum/i and Moscow.

In this already difficult political situation, tensions between opposition and government escalated in May 2014. Just a few days of street protests in

<sup>47</sup> "Nasilstvennaya ukrainizatsiya i gruzinizatsia – veshchi skhozhie" [Forced Ukrainisation and Georgianisation are the same], Interview with Irakli Khintba, deputy foreign minister of Abkhazia, in *Izvestiya*, 22 April 2014.

<sup>48</sup> Interviews by the author, Sukhum/i, April 2014.

<sup>49</sup> Sukhum/i avoided any involvement in the Minsk talks on Ukraine or linking its fate to the so-called people's republics of Donetsk and Luhansk, which unlike Abkhazia both sought unification with the Russian Federation. Interviews by the author, Sukhum/i, April 2016.

<sup>50</sup> Taras Shamba, "Nezavisimoy Abchazii neobkhodimy assotsirovannye otnosheniya s Rossiei" [Independent Abkhazia needs association with Russia], *Regnum*, 8 May 2014.

<sup>51</sup> "Ideya assotsirovannykh otnosheniy ne imeet perspektivy v Abkhazii" [The Idea of association has no perspective in Abkhazia], *Apsnypress*, 11 June 2014, <http://www.apsnypress.info/news/ideya-assotsirovannykh-otnosheniy-ne-imeet-perspektivy-v-abkhazii/>; Inal Chashig, "Esli izbranniy prezident zayavit o vkhozheniy v Rossiyu – tseremonitsya ne budut" [If the newly elected president of Abkhazia announces unification with Russia, that is no big deal], *Kavkazskiy Uzel*, 22 August 2014, <http://www.kavkaz-uzel.ru/articles/247876/> (accessed February 2016).

Sukhum/i were enough to topple President Alexander Ankvab and force early presidential elections on 24 August 2014. The causes of this development lay in internal conflicts among the elites, which have long shaped political life in Abkhazia. President Ankvab was already facing criticism for his authoritarian and centralistic style of leadership. His monopolisation of political power had alienated not only the opposition, but also the political parties and movements that had originally supported him.<sup>52</sup>

The May crisis was been triggered by the festering dispute over the question of Abkhaz citizenship for the Georgian population in Gal/i. During Ankvab's presidency almost half the approximately 45,000 Georgian residents of Gal/i in eastern Abkhazia had received Abkhaz nationality. The opposition Forum for the National Unity of Abkhazia (FNUA), however, asserted that the naturalisation process had been unconstitutional and demanded it be reviewed. The status and citizenship of Gal/i's Georgian population has been a bone of contention in Abkhaz politics ever since the 1990s. In the eyes of a large part of the Abkhaz population the residents of Gal/i represent a Georgian "fifth column", and their integration is therefore highly controversial. Parts of the political elite regularly instrumentalise the issue to mobilise their followers with nationalist slogans. Moreover, the Georgians in Gal/i represent a significant and potentially even decisive electoral potential. The passports distributed in Gal/i were "temporarily" withdrawn in advance of the August 2014 election, thus preventing a majority of the region's population from voting.<sup>53</sup> The legal situation of the Georgians in Gal/i has deteriorated further since 2014. In autumn 2015 Sukhum/i announced the introduction of biometric passports across Abkhazia, but excluded the Georgians of Gal/i on the grounds that many of them had retained their Georgian citizenship.<sup>54</sup> In February 2016 a new law on the legal status of foreign citizens came in to effect, classifying the residents Gal/i with Georgian citizenship as "foreigners". They are thus denied the right to reside permanently in Abkhazia and excluded from

<sup>52</sup> The largest opposition party in 2014 was Raul Khadjimba's Forum for the National Unity of Abkhazia (FNUA). Ankvab was supported primarily by the veterans' organisation Amsakhara and the United Abkhazia party.

<sup>53</sup> Liana Kvarchelia, "Chto sluchilos v Abkhazii" [What happened in Abkhazia], *Centre for Humanitarian Programmes*, 3 September 2014 <http://apsny-chp.org/opinions/?ID=93> (accessed February 2016); Sergey Markedonov, "Uroki Abchazii" [Lessons from Abkhazia], *Rossiia v Globalnoy Politike*, 3 June 2014, <http://www.globalaffairs.ru/global-processes/Uroki-Abkhazii-16685> (accessed October 2014).

<sup>54</sup> "Gruzinskie grazhdane v Abkhazii nedovolny otkazom v vydache mestnykh pasportov" [Georgian citizens of Abkhazia unhappy not to receive Abkhazian passports], *Kavkazskiy Uzel*, 19 October 2015, <http://www.kavkaz-uzel.ru/articles/270885/> (accessed February 2016); "Obmen pasportov v Abkhazii nachnetsya v marte" [Exchange of passports in Abkhazia begins in March], *Ekho Kavkaza*, 5 February 2016, <http://www.ekhokavkaza.com/content/article/27534861.html> (accessed February 2016). On the precarious situation of the Georgian population in Gal/i see Conciliation Resources, *The Realm of the Possible: Finding Ways Forward in the Georgian-Abkhaz Context: People in the Gal/i Region*, Conciliation Resources Discussion Paper (London, July 2015).

political participation.<sup>55</sup> In response to criticisms within Abkhazia and from the international community, the government promised modifications to lessen the impact on the population in Gal/i. Its opponents, on the other hand, regard it as deliberate discrimination.<sup>56</sup>

The 24 August 2014 presidential election was won by Raul Khadzhimba, leader of the opposition FNUA, who has long been a central figure in Abkhaz politics. Before his 2014 victory he had lost three presidential campaigns. He stood as Moscow's open favourite against Sergey Bagapsh in 2004, but had to admit defeat after considerable domestic turmoil.

The Kremlin refrained from adopting official positions on the questions of association and the domestic power struggle. Instead, Moscow asserted the role of "neutral mediator". Vladislav Surkov, President Putin's personal adviser on relationships with Abkhazia and South Ossetia, travelled to Sukhum/i during the May protests and conducted talks – whose substance remained largely unknown – with all the parties. From a Russian perspective the change of political leadership in Abkhazia was not necessary but advantageous: Raul Khadjimba was a familiar ally and negotiating partner, and weaker than Ankvab. Shortly after his election Khadjimba declared his willingness to negotiate a new treaty with Russia. He also displays more openness on the question of property purchases by Russians, and supports stricter control of the border with Georgia.<sup>57</sup>

In October 2014 Moscow presented its proposal for a Treaty on Alliance and Integration between the Russian Federation and the Republic of Abkhazia. Many of the proposed measures aiming at the creation of a joint foreign policy, a joint defence and security space and a joint social and economic area, heavily contradicted the Abkhaz claim for sovereignty.<sup>58</sup> Scandal ensued when the document was leaked to the Abkhaz press. Critics accused Moscow of undermining Abkhaz statehood.<sup>59</sup>

In response the Abkhaz presented their own concept for a Treaty on Alliance and Strategic Partnership, which differed in important respects from the Russian draft.<sup>60</sup> The treaty signed on 24 November 2014 bore the

55 "V Abchazii prinyat zakon o pravovom polozheniy inostrannykh grazhdan" [Law on legal situation of foreign citizens adopted in Abkhazia], *Abchaziya-Info*, 30 December 2015, <http://abkhazinform.com/item/2900-v-abkhazii-prinyat-zakon-o-pravovom-polozhenii-inostrannykh-grazhdan> (accessed April 2016).

56 Interviews by the author, Sukhum/i, April 2016.

57 "Vlasti Abchazii zadumalis ob otmene zapreta na prodazhu nedvizhimosti inostrantsam" [Abkhazian government rethinks ban on property sales to foreigners], *Kommersant.ru*, 28 August 2015, <http://www.kommersant.ru/doc/2799529> (accessed October 2015); "Raul Khadzhimba: 'My khotim, chtoby garantii nashey bezopasnosti byli bolee chetko ogovoreny'" [Raul Khadjimba: "We want clear agreements on our security"], *ITAR-Tass*, 28 August 2014, <http://itar-tass.com/opinions/interviews/2249> (accessed October 2014).

58 "Dogovor mezhdru Rossiyskoy Federatsiey i Respublikoy Abkhaziya o sojuznichestve i integratsii" [Treaty between the Russian Federation and the Republic of Abkhazia on Union and Integration], *apsnypress.info*, 13 October 2014.

59 Arda Inalpa, "Moskovskiy Proekt Dogovora Sukhum ne ustroil" [Sukhum/i does not appreciate Moscow's draft treaty], *Nezavisimaya gazeta*, 17 November 2014.

60 *Apsnypress, Dokumenty*, 30 October 2014. The Russian draft proposed easing naturalisation procedures for citizens of both sides, while the Abkhaz version granted this only to



Abkhaz title and reflected a series of compromises over contested issues. At the same time, it still implies even closer political, foreign policy, economic and military ties.<sup>61</sup>

Russia tied the signing of the treaty to promises of continuing generous financial assistance.<sup>62</sup> But their delivery was subject to considerable delays in the course of 2015, causing the Abkhaz budget to shrink noticeably.<sup>63</sup> Observers attribute this to the Russian recession, but also to differences between Sukhum/i and Moscow over the implementation of individual provisions of the new treaty.<sup>64</sup> Higher payments were announced for 2016,<sup>65</sup> but it remains to be seen whether funds will actually flow. Abkhazia's economic circumstances remain precarious, the political situation unstable. In spring 2016 the opposition launched a campaign for early presidential elections to remove Raul Khadjimba.<sup>66</sup> This triggered another standoff between government and opposition forces, including

Abkhaz citizens applying for Russian nationality. The Russian proposal also foresaw more or less complete integration of the Abkhaz army into the Russian armed forces, while the Abkhaz version insisted on an independent military. Moreover, the Abkhaz concept proposed larger financial transfers in the economic and social spheres. "Dogovor o sojuz-nichestve mezhdru Rossiei i Abchaziei. Popravki abkhazkoy storony" [Alliance treaty between Russia and Abkhazia: The Abkhaz corrections], *Kavkazskiy Uzel*, 5 November 2014, <http://www.kavkaz-uzel.ru/articles/251796/> (accessed February 2016).

<sup>61</sup> "Proekty rossiysko-abkhaskogo dogovora. Sravnenie" [Drafts of the Russian-Abkhaz Treaty: Comparison], *Kavkazskiy Uzel*, 24 November 2014, <http://www.kavkaz-uzel.ru/articles/252874/> (accessed February 2016). A joint security and defence area, a joint economic and customs area, shared control of the border with Georgia, and a coordinated foreign policy are planned and have been partly implemented in subsidiary agreements. The first concrete effect was the sanctions Abkhazia imposed on economic relations with Turkey following the shooting down of a Russian warplane by the Turkish air force at the end of November 2015. "Abkhaziya vvela sanktsii protiv Turtsii" [Abkhazia imposes sanctions on Turkey], *Kavkazskiy Uzel*, 20 January 2016, <http://www.kavkaz-uzel.ru/articles/276207/> (accessed February 2016). However, in Abkhazia it was noted that these sanctions have little effect on economic exchange with the Abkhaz diaspora in Turkey, which represents an important factor for the Abkhaz economy. Interviews by the author, Sukhum/i, April 2016. The sudden reconciliation between Turkey and Russia in June/July 2016 was nonetheless enthusiastically welcomed in Abkhazia. "Eksperty: poteplenie otnosheniy Rossii i Turtsii vygodno Abkhazii" [Experts: Abkhazia benefits from the thaw in relations between Russia and Turkey], *Sputnik Abkhazia*, 1 July 2016, <http://sputnik-abkhazia.ru/Abkhazia/20160701/1018933022.html> (accessed September 2016).

<sup>62</sup> "Putin zayavil, chto Rossiya vydedit Abkhazii 5 mlrd rub v 2015 godu" [Putin announces Russia will grant Abkhazia 5 billion roubles in 2015], *Ria Novosti*, 24 November 2014, <http://ria.ru/economy/20141124/1034868563.html> (accessed February 2016).

<sup>63</sup> "Byudzhet Abkhazii na 2015 god umenshen vdvoe iz-za sokrasheniya pomoshchi Rossii" [Abkhaz budget halved by fall in Russian aid], *Kavkazskiy Uzel*, 16 December 2015, <http://www.kavkaz-uzel.ru/articles/274421/> (accessed February 2016).

<sup>64</sup> Vasili Rukhadze, "In the Face of Recent Russian-Abkhaz Disagreements, Is Georgian-Abkhaz Dialogue Possible?", *Eurasia Daily Monitor* 12, no. 128 (9 July 2015); Interviews by the author, Sukhum/i, April 2016.

<sup>65</sup> "Abchaziya poluchit iz Rossii 7,867 mlrd rubley v 2016 godu" [Abkhazia receives 7.867 billion roubles from Russia for 2016], *Kavkazskiy Uzel*, 29 December 2015, <http://www.kavkaz-uzel.ru/articles/275201/> (accessed February 2016).

<sup>66</sup> Liz Fuller, "Abkhaz Opposition Launches New Campaign to Unseat De Facto President", *Radio Free Europe/Radio Liberty*, 27 April 2016.

violent clashes in Sukhum/i in early July that left almost twenty dead. The referendum took place on 10 July but turnout was scarcely 1 percent.<sup>67</sup> In reaction to this defeat the opposition announced major street protests in autumn 2016. The political instability in 2016 is seen by many as a continuation of the events of May 2014 which left Abkhaz society with a deep sense of insecurity. Political apathy and disenchantment with the elite also explains the low turnout for the referendum in July. Widespread disillusionment over Abkhazia's economic development possibilities also encompasses growing doubts that Russia is willing to lend real support.

### South Ossetia

The South Ossetian leadership also euphorically supported Russia over Crimea and eastern Ukraine. By June 2014 it had recognised the “People’s Republics” in Donetsk and Luhansk and established “diplomatic relations”.<sup>68</sup>

United Ossetia, the party close to President Leonid Tibilov, won the parliamentary elections on 8 May 2014 under the slogan “United Ossetia – the Way to Russia”.<sup>69</sup> The party’s success reflects the wish of a majority of South Ossetians for unification with North Ossetia and thus with Russia.<sup>70</sup> In referendums in 1992 and 2006 (which were not internationally recognised) South Ossetia had already voted twice to join the Russian Federation. After the election, United Ossetia announced that another referendum would be held. The initiative is also supported by President Tibilov.<sup>71</sup> Russia, however, responded rather cautiously, with Vladislav Surkov, President Putin’s personal adviser on relationships with Abkhazia and South Ossetia, repeatedly pouring cold water on South Ossetia’s hopes of unification.<sup>72</sup>

In March 2015 Russia and South Ossetia concluded a new Treaty on Alliance and Integration, following a negotiating process initiated some

<sup>67</sup> Liz Fuller, “Abkhaz Referendum Fails, But Political Standoff Continues”, *Radio Free Europe/Radio Liberty*, 13 July 2016.

<sup>68</sup> “Yuzhnaya Ossetiya priznala nezavisimost samoprovozglashonnoy Donetskoy Narodnoy Respubliki” [South Ossetia recognises independence of self-proclaimed People’s Republic of Donetsk], *Kavkazskiy Uzel*, 27 June 2014, <http://www.kavkaz-uzel.ru/articles/244974/> (accessed November 2015).

<sup>69</sup> “Na vyborah pobedila partiya, vystupayushchaya za prisoedinenie respubliki v RF” [Party supporting unification with Russia wins election], *Kommersant*, 10 June 2014.

<sup>70</sup> See also Toal and O’Loughlin, “Inside South Ossetia” (see note 23).

<sup>71</sup> “Prezident Yuzhnoy Ossetii initsiruet prisoedinenie k Rossii” [President of South Ossetia initiates unification with Russia], *Kavkazskiy Uzel*, 19 October 2015, <http://www.kavkaz-uzel.ru/articles/270909/> (accessed November 2015).

<sup>72</sup> “Surkov ne zatragival voprosa o vkhozhdanii RYuO v sostav Rossii” [Surkov silent on question of South Ossetian accession to Russian Federation], *Ekho Kavkaza*, 24 June 2014, <http://www.ekhokavkaza.com/content/news/25433545.html> (accessed November 2015); “Protivorechivye stremleniya” [Contradictory strivings], *Ekho Kavkaza*, 16 December 2013, <http://www.ekhokavkaza.com/content/article/25202795.html> (accessed November 2015). Cf. “Kreml oproverg informatsiyu ob obsuzhdenii referendum v Yuuzhnoy Ossetii” [Kremlin denies talks on referendum in South Ossetia], *Kavkazskiy Uzel*, 20 October 2015, <http://www.kavkaz-uzel.ru/articles/270954/> (accessed November 2015).

months after the public spat in Abkhazia. Although there were compromises to be made here too, the process proceeded considerably more smoothly than in Abkhazia. Unlike in Abkhazia, the title originally proposed by Russia was not rejected by the South Ossetian side, but in fact failed to go far enough. Under the treaty Russia becomes the guarantor of South Ossetia's security and "borders". Further aspects of the treaty include freedom of movement across the South Ossetian–Russian "border" and comprehensive Russian assistance for state structures and social services in South Ossetia.<sup>73</sup>

Some weeks after conclusion of the treaty, Russian and South Ossetian security forces began fortifying sections of the boundary line between South Ossetia and Georgia, in the process frequently demarcating undisputed Georgian territory. As a result, among other things, a short section of the Baku-Supsa oil pipeline also ended up in territory controlled by South Ossetia and Russia.<sup>74</sup> Moscow and Tskhinval/i both reject charges that they illegally occupied additional territory. Nor, they asserted, were pipeline operations constrained or endangered by their "securing of the border".<sup>75</sup> The recent worsening of the situation on the boundary line between South Ossetia and Georgia has increased tensions between the parties. For those living near the border between South Ossetia and the rest of Georgia it has now become even harder to cross to the other side.

### Conclusions – Options for Local and International Actors

The crisis over Ukraine has made it even more difficult for the Georgian coalition government to pursue its foreign policy and conflict objectives. Despite a (limited) normalisation of relations with Russia, the northern neighbour is still perceived as a threat, all the more so since the outbreak of the crisis which has boosted Euroatlantic ambitions in Tbilisi. Alongside association with the European Union, NATO membership remains one of the principal objectives of Georgian foreign policy. The conflict in Ukraine and Russia's involvement there have crushed hopes of finding a peaceful resolution of the unresolved conflicts over Abkhazia and South Ossetia. Tbilisi regards Moscow's role in the crisis over Ukraine as a continuation of its policy towards Georgia, for which it creates additional difficulties. Georgia regards the treaties that Moscow signed with Sukhum/i in 2014 and with Tskhinval/i in 2015 as de facto annexation. Even though territorial integrity and reunification are not currently among the priorities of

<sup>73</sup> "Dogovor o sojuznichestve sulit sredstva Yuzhnoy Ossetii bez vkhozheniya v Rossii" [Alliance treaty promises South Ossetia funds without unification with Russia], *Kavkazskiy Uzel*, 18 March 2015, <http://www.kavkaz-uzel.ru/articles/259097/> (accessed November 2015).

<sup>74</sup> Vasili Rukhadze, "Russia Annexes Additional Georgian Lands, Closing in on the Strategic East-West Highway", *Eurasia Daily Monitor* 12, no. 135 (20 July 2015).

<sup>75</sup> "Politologi vozlozhili na Rossiyu otvetstvennost za perenos granitsy Yuzhnoy Ossetii" [Political scientists believe Russia responsible for shifting borders of South Ossetia], *Kavkazskiy Uzel*, 16 July 2015, <http://www.kavkaz-uzel.ru/articles/265540/> (accessed November 2015).

Georgian politics and society, surveys demonstrate that they continue to possess mobilisation potential. Taking into account the levels of domestic political instability and disenchantment, this creates great risk for the government. The constituency of political actors who would support engagement-led conflict regulation has expanded little since 2012. That political approach therefore risks going under in a deteriorating international, regional and national political environment.

Abkhazia and South Ossetia have become even more closely interconnected with Russia since 2014. This corresponds with South Ossetia's desire for unification with Russia – which Moscow is currently unwilling to grant. The change is more overt in Abkhazia, where there is still scepticism towards a complete Russian take-over. The change of government in Sukhum/i puts Moscow in a better position to assert its interests. Abkhazia's political and economic dependency on Russia further restricts the room for manoeuvre of state and non-state actors there, which is also reflected in increasing pressure on those parts of the opposition and civil society campaigning for greater independence from Russia and more exchange with Georgia and the international community.

Moscow has clearly stepped up its influence in both entities since 2014. Taking Abkhazia's and South Ossetia's political, economic and military integration to a point just short of annexation was a symbolic response to Georgia's EU association process. Above all it secures Moscow political control in the territories and a crucial strategic foothold in the South Caucasus and the Black Sea region. Yet since the conclusion of the new treaties, the Kremlin has demonstrated little willingness to advance integration any further, despite South Ossetia's explicit wish for accession. In view of growing anti-Caucasian sentiment in Russian society, a possible annexation of South Ossetia also involves domestic political risks for the Russian leadership. Russia continues to cooperate in the Geneva Discussions and emphasises that it does not wish to endanger the process of normalisation with Georgia. What is more important, however – as the case of Crimea demonstrates – is that by actually annexing Abkhazia and South Ossetia Moscow would relinquish a lever of influence that could still be useful in its relationship with Tbilisi, depending on how Georgian domestic and foreign policy play out. For that reason Moscow will remain ambivalent and at the same time constrain the options above all of Abkhazia.

# The Nagorno-Karabakh Conflict in Light of the Crisis over Ukraine

Franziska Smolnik and Uwe Halbach

The dispute over Nagorno-Karabakh is the longest-running secessionist conflict in the post-Soviet space. Alongside its duration, it stands out for the extent of bloodshed involved. When the Soviet Union was formed, the region was largely inhabited by ethnic Armenians, while tsarist Russian policies had administratively and economically connected it to Azerbaijan.<sup>1</sup> Ever since Nagorno-Karabakh became an autonomous territory within the Azerbaijani Soviet Socialist Republic in the early 1920s, this arrangement had engendered discontent within the Armenian population.<sup>2</sup> Especially from the 1970s onward the Karabakh-Armenians accused Azerbaijan of discriminatory politics that allegedly aimed at a “de-Armenianization” of the region.<sup>3</sup> The Armenians complained that cultural and linguistic rights were restricted, the region was isolated from the Armenian Soviet Socialist Republic and disadvantaged socio-economically. The proportion of Armenians in the population fell. The Azerbaijani inhabitants of Nagorno-Karabakh in turn criticised the dominance of the local Armenian majority and its efforts to portray the region as unambiguously Armenian.<sup>4</sup> Although the allocation of Nagorno-Karabakh to the Azerbaijan Soviet Socialist Republic provoked earlier Armenian protests, their political scope did not expand until the advent of *glasnost* (transparency) and *perestroika* (restructuring). From the mid-1980s the project of leaving Azerbaijan and joining Armenia was pursued with even greater determination, driven by a broad political base.<sup>5</sup>

Events at the end of the decade set in motion a rapid downward spiral in relations between Armenians and Azerbaijanis – not only in Nagorno-

1 Arsène Saparov, “Why Autonomy? The Making of Nagorno-Karabakh Autonomous Region 1918–1925”, *Europe-Asia Studies* 64, no. 2 (2012): 281–323.

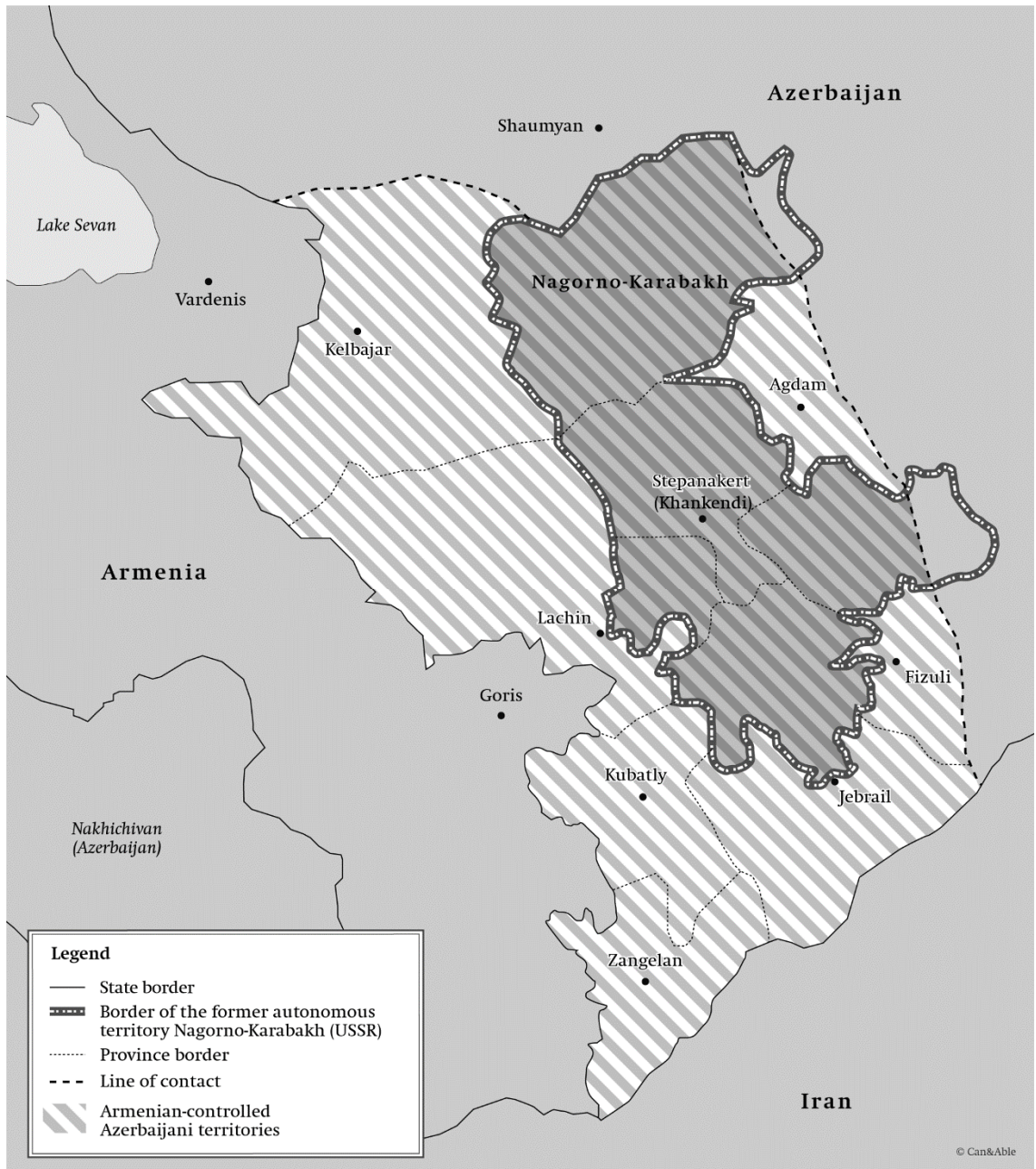
2 On the founding of the Autonomous Oblast of Nagorno-Karabakh, see Alexei Zverev, “Ethnic Conflicts in the Caucasus 1988–1994”, in *Contested Borders in the Caucasus*, ed. Bruno Coppieters (Brussels, 1996), 13–71 (17–19); Audrey L. Altstadt, “Nagorno-Karabakh – ‘Apple of Discord’ in the Azerbaijan SSR”, *Central Asian Survey* 7, no. 4 (1988): 63–78; Saparov, “Why Autonomy?” (see note 1).

3 This criticism was initially articulated largely in Armenian intellectual circles. Thomas De Waal, *Black Garden: Armenia and Azerbaijan through Peace and War* (New York, 2003), 137–41.

4 De Waal, *Black Garden* (see note 3); Stuart J. Kaufman, *Modern Hatreds: The Symbolic Politics of Ethnic War* (Ithaca and London, 2001), 52–60.

5 Raymond Pearson, “Nationalities. Decolonising the Last Empire”, in *The Impact of Gorbachev: The First Phase, 1985–90*, ed. D. W. Spring (London and New York, 1991), 92–115 (100f.); Ronald Grigor Suny, “Nationalism and Democracy in Gorbachev’s Soviet Union: The Case of Karabagh”, in *The Soviet Nationality Reader: The Disintegration in Context*, ed. Rachel Denber (Boulder, 1992), 485–507.

**Map 4**  
**The conflict over Nagorno-Karabakh**



Karabakh, but also in the Soviet Republics of Armenia and Azerbaijan. Bloody fighting broke out even before the collapse of the Soviet Union. The war fought between 1991 and 1994 is estimated to have cost between 22,000 and 25,000 lives. More than 700,000 Azerbaijanis and 400,000 Armenians had to flee their homes.<sup>6</sup> One reason why the numbers displaced are much higher on the Azerbaijani side is that the Armenians

<sup>6</sup> Most of the figures are disputed. Those cited here are from International Crisis Group (ICG), *Nagorno-Karabakh: Risking War*, Europe Report 187 (Brussels, 2007), 1.

gained control not only over Nagorno-Karabakh, but also over seven Azerbaijani districts outside the former Autonomous Oblast.<sup>7</sup> Almost all Azerbaijani (and Kurdish) residents were driven out.<sup>8</sup> While Azerbaijan sees the return of (at least some of) these occupied districts as a precondition for any other steps towards peace, the Armenians have increasingly come to regard them not as bargaining chips, but as “liberated territories” and part of the “Nagorno-Karabakh Republic” proclaimed in 1991.<sup>9</sup> Today Nagorno-Karabakh has a population of around 140,000, almost exclusively ethnic Armenians. Despite a proclamation of independence and the existence of political and administrative structures of its own, no other country has recognised the territory as an independent state, and it remains financially, militarily and politically dependent on Armenia.<sup>10</sup>

The large-scale fighting was brought under control in 1994 by a Russian-mediated cease-fire, following heavy losses on both sides. But to this day there is no sign of a resolution. The two sides face off irreconcilably, each citing fundamental principles: The Armenians propagate the right to national self-determination, the Azerbaijanis the right to territorial integrity. Both sides claim the region for themselves, declaring Nagorno-Karabakh the cultural birthplace of their nation.<sup>11</sup> It is the exclusive nature of the claims and the mythologisation of tendentious historiography that explain the utter lack of willingness to compromise – along with frequently-cited wartime atrocities and ethnic homogenisation. Moreover, despite the cease-fire, violence continues to claim victims. In fact, with an average of about twenty-five to thirty deaths annually the conflict is – in contrast to its conventional description as a “frozen conflict” – actually an active armed conflict under the definition used by the Conflict Data Program of the University of Uppsala. Its explosive potential was demonstrated by the latest escalation in April 2016, which caused several dozen casualties on both sides.<sup>12</sup>

7 The Armenian side controls five completely, two only partly.

8 ICG, *Tackling Azerbaijan's IDP Burden*, Europe Briefing 67 (Brussels, 2012). It is important to note that displacement and a resulting (ethnic) homogenisation occurred on both sides.

9 ICG, *Armenia and Azerbaijan: Preventing War*, Europe Briefing 60 (Brussels, 2011), 1–2. See also Laurence Broers and Gerard Toal, “Cartographic Exhibitionism? Visualizing the Territory of Armenia and Karabakh”, *Problems of Post-Communism* 60, no. 3 (2013): 16–35.

10 Uwe Halbach and Franziska Smolnik, *Der Streit um Berg-Karabach: Spezifische Merkmale und die Konfliktparteien*, SWP-Studie 2/2013 (Berlin: Stiftung Wissenschaft und Politik, February 2013).

11 Michael Kohrs, “Geschichte als politisches Argument: Der ‘Historikerstreit’ um Berg-Karabach”, in *Osmanismus, Nationalismus und der Kaukasus*, ed. Fikret Adanır and Bernd Bonwetsch (Wiesbaden, 2005), 43–63; Philip Gamaghelyan and Sergey Romyantsev, “Armenia and Azerbaijan: The Nagorny Karabakh Conflict and the Reinterpretation of Narratives in History Textbooks”, in *Myths and Conflict in the South Caucasus*, ed. Oksana Karpenko and Jana Javakhishvili, vol. 1: *Instrumentalisation of Historical Narratives* (London: International Alert, 2013), 166–88.

12 ICG, *Armenia and Azerbaijan* (see note 9), 3. For the definition of armed conflict as used by Uppsala University’s Conflict Data Program see <http://www.pcr.uu.se/research/ucdp/definitions/> (accessed 6 January 2016). On the latest developments see also below.

Since the 1994 cease-fire the parties have failed to agree to establish a joint peacekeeping force or to permit the deployment of an international mission. There has therefore been no effective monitoring of the cease-fire, which is regularly violated. Frequent incidents occur not only along the so-called “line of contact” between Azerbaijan and secessionist Nagorno-Karabakh, where the adversaries face off in heavily fortified trenches, but also on the border between Armenia and Azerbaijan.<sup>13</sup>

While the Minsk Group of the Organisation for Security and Cooperation in Europe (OSCE) supplies an international presence,<sup>14</sup> its mediation efforts have failed to bear fruit. In 1992 the OSCE’s predecessor, the Conference for Security and Cooperation in Europe (CSCE), decided to stage a conference to settle the Nagorno-Karabakh conflict. While Minsk was chosen as the venue, the conference never actually took place. Instead, the Minsk Group was established two years later, taking its name from the planned conference venue. The Minsk Group’s co-chair model was introduced in March 1995 on the basis of the decisions of the Budapest CSCE summit at the end of 1994. In 1997 the initially bilateral arrangement was expanded into a trilateral one, with Russia, France and the United States as co-chairs.<sup>15</sup> But the OSCE’s mandate is heavily restricted: inspections of the line of contact require prior notification, while the team headed by Andrzej Kasprzyk, Personal Representative of the Chairperson-in-Office of the OSCE, has no right to conduct its own fact-finding missions to investigate violations of the cease-fire. The Minsk Group operates above all as a mediator at the level of heads of government (Track 1).<sup>16</sup>

In view of the lack of progress towards a political resolution, Baku in particular has expressed its growing disapproval of the format and demanded alternative forms of mediation. The Minsk Group attracts criticism not only for the lack of a diplomatic resolution, but also for its opaque nature. This also applies to the so-called Madrid Principles, of which only a brief summary has ever been published despite their having

<sup>13</sup> Saferworld, *Towards a Secure Future: Community Voices in Border Areas of Armenia and Azerbaijan* (London, January 2015).

<sup>14</sup> The Minsk Group includes Russia, the United States, Belarus, Finland, France, Germany, Italy, Sweden, Turkey, and Armenia and Azerbaijan as permanent members, along with representatives of the OSCE troika (the previous, current and next OSCE chairs). On the mandate and work of the Minsk Group see OSCE Minsk Group, <http://www.osce.org/mg> (accessed 6 January 2016); also Thomas De Waal, “Remaking the Nagorno-Karabakh Peace Process” (Washington, D.C.: Carnegie Endowment for International Peace, 1 August 2010), [carnegieendowment.org/2010/08/01/remaking-nagorno-karabakh-peace-process](http://carnegieendowment.org/2010/08/01/remaking-nagorno-karabakh-peace-process) (accessed 7 January 2016); Rexane Dehdashti-Rasmussen, “The Conflict over Nagorno-Karabakh: Causes, the Status of Negotiations, and Prospects”, in Institute for Peace Research and Security Policy at the University of Hamburg/IFSH, *Yearbook of the Organization for Security and Co-operation in Europe (OSCE), OSCE Yearbook 2006* (Baden-Baden, 2007), 189–210.

<sup>15</sup> The Minsk Group still exists today, but possesses little visibility.

<sup>16</sup> This was originally a trilateral format including the Armenians of Nagorno-Karabakh. Since 1998 only representatives of Azerbaijan and Armenia have participated in consultations at this level.



been under negotiation since 2007.<sup>17</sup> Until recently the fact that the conflict had not erupted into uncontrolled war again had been regarded as the greatest achievement of the Minsk Group. The escalation of early April 2016, which was the worst outbreak of violence since the cease-fire signed more than two decades ago, now calls that supposed accomplishment into question.

### Developments since 2014

The referendum on the status of Crimea and its subsequent annexation by Russia have again drawn attention to the contradiction between the international principle of national self-determination and that of the territorial integrity of existing states. This reverberated in the Nagorno-Karabakh conflict, where Yerevan took Russia's side and voted in the UN General Assembly against a resolution declaring the Crimea referendum invalid. In fact, Nagorno-Karabakh held a public celebration to mark the referendum, which it saw as strengthening the principle of national self-determination, and again demanded its return to the negotiating table in the framework of the Minsk Group.<sup>18</sup> Baku, by contrast, treated the annexation of Crimea as an opportunity to draw international attention to the violation of its own territorial integrity, voting for the UN resolution and thus supporting Ukraine's sovereignty. Azerbaijan also complained that the international community's response over Ukraine demonstrated a "double standard", given that it had largely accepted Nagorno-Karabakh's secession from Azerbaijan.

### Conflict Dynamics

Although the Nagorno-Karabakh conflict has never truly been frozen, the situation has deteriorated markedly since 2014. The low-point to date was the escalation of the first week of April 2016, which has come to be known as the "Four-Day War".<sup>19</sup> 2014 was at the time the most violent year since the cease-fire, with seventy-two reported deaths and several violent incidents whose intensity exceeded the skirmishes of previous years. A heli-

<sup>17</sup> Of the fourteen to sixteen Principles, the following are known: return of the occupied districts outside the former Autonomous Oblast of Nagorno-Karabakh; an interim status for Nagorno-Karabakh including guarantees of security and self-governance; a connecting corridor between Nagorno-Karabakh and the Republic of Armenia; secure and peaceful return for all displaced persons, a future referendum on the status of Nagorno-Karabakh; deployment of international peace-keepers; and provision of reconstruction aid. "Statement by the OSCE Minsk Group Co-Chair Countries", L'Aquila, 10 July 2009, <http://www.osce.org/mg/51152> (accessed 7 January 2016).

<sup>18</sup> Vahram Ter-Matevosyan, "Armenia and the Ukrainian Crisis: Finding the Middle Ground", *Caucasus Analytical Digest*, no. 67–68 (23 December 2014): 14–17 (14).

<sup>19</sup> For example, Aleksandra Jarosiewicz and Maciej Falkowski, *The Four-Day War in Nagorno-Karabakh*, OSW Analyses (Warsaw: Ośrodek Studiów Wschodnich [OSW; Centre for Eastern Studies], 6 April 2016), <http://www.osw.waw.pl/en/publikacje/analyses/2016-04-06/four-day-war-nagorno-karabakh> (accessed 20 April 2016).

copter was shot down for the first time since 1994, and (reconnaissance) drones were increasingly deployed.<sup>20</sup> The negative trend continued in 2015, with each side accusing the other of deploying “mortars and heavy weapons”, alongside the continuing use of snipers.<sup>21</sup> The casualties included high-ranking officers as well as conscripts. Civilian structures were increasingly attacked.<sup>22</sup> The worst fighting to date occurred in early April 2016, beginning in the night of 1 April and continuing until 5 April. Various sources speak of more than ninety deaths, including civilians, and dozens missing on both sides.<sup>23</sup> As well as tanks and heavy artillery, aircraft were also used, although not on a large scale. After four days the chiefs of staff agreed a Russian-mediated truce. But the very same day each side accused the other of violating it, and reports of further casualties continued to come in.

Escalation into full-blown war would have devastating consequences for the entire region, not least on account of the massive military build-up on both sides. Azerbaijan in particular has invested its significant oil and gas revenues in new weaponry. According to *The Military Balance*, its defence budget for 2014 was \$2.09 billion and for 2015 \$1.74 billion (while actual spending in 2014 is put at \$3.76 billion). The April escalation also revealed the kind of equipment Azerbaijan has procured.<sup>24</sup> Armenia’s defence budget is considerably smaller: \$467 million in 2014 and \$412 million in 2015.<sup>25</sup>

<sup>20</sup> Saferworld, *After the 2014 Escalation: The Front Line between Armenia and Azerbaijan* (London, January 2015).

<sup>21</sup> “Press Statement by the Co-Chairs of the OSCE Minsk Group” (New York, 25 September 2015), <http://www.osce.org/mg/185001> (accessed 6 January 2016).

<sup>22</sup> Ibid. Laurence Broers points out that changes in information policy could account for the increase in reports of cease-fire violations. However, even if it is the case that violations are more likely to be reported, the assessment of a massive deterioration since 2014 would still appear to stand. “Internet Press-Conference of Laurence Broers”, 20 April 2015, <http://regioncenter.info/en/Internet-press-conference-with-Laurence-Broers-eng-Interviews> (accessed 6 January 2016).

<sup>23</sup> For the Azerbaijani side see “V rezultate boevykh deystviy na linii fronta bylo ubito 93 voennosluzhashchikh AR” [93 soldiers killed in fighting at front], *Caspian Defense Studies Institute*, 10 April 2016, <https://caspiandefense.wordpress.com>. This covers the period from 1 to 6 April 2016, the figures are not officially confirmed; official figures speak of thirty dead on the Azerbaijani side. The Armenian defence ministry has confirmed seventy-seven deaths for 2 to 5 April 2016 and ninety-two for 2 to 13 April. “Karabakh War Casualty Update: Armenia Puts April Death Toll at 92”, *ArmeniaNow.com*, 14 April 2016, <https://www.armenianow.com/en/karabakh/2016/04/14/armenia-casualties-update-karabakh-april/951/> (accessed 23 April 2016).

<sup>24</sup> Uncertainty over the weapons each side possessed gave rise to speculation. The annual military parades in particular offered insights. Joshua Kucera, “Karabakh Fighting Highlights Azerbaijan’s New Israeli Weapons”, *The BugPit – Eurasianet.org*, 6 April 2016, <http://www.eurasianet.org/node/78181> (accessed 31 May 2016).

<sup>25</sup> “Armenia”, in International Institute for Strategic Studies (IISS), *The Military Balance 2016* (London, 2016), chapter five, 163–210: “Russia and Eurasia” (178); “Azerbaijan”, *ibid.* (179). If one examines the official figures in the respective national currencies (dram and manat), it becomes apparent that in each case the defence budget has increased, and that the apparent reduction in dollar terms is due to changing exchange rates. However, the reliability of the figures is generally questionable (as indicated by the large discrepancy

But the proportion of the state budget spent on defence is rising in Armenia too. Moreover, Armenia receives Russian arms at discount prices thanks to its membership in the Russian-dominated Collective Security Treaty Organisation (CSTO). The 2015 Global Militarisation Index prepared by the Bonn International Center for Conversion (BICC) lists both Armenia and Azerbaijan among its “top ten”: at third place in the global ranking Armenia in fact leads Azerbaijan (eighth).<sup>26</sup>

## Developments on the Armenian Side

On the Armenian side the secessionist territory Nagorno-Karabakh and the Republic of Armenia are both involved in the conflict. In 1994 representatives of both entities signed the cease-fire agreement with Azerbaijan. But from 1998 Yerevan took over the responsibility of representing the interests of the de facto state in the talks led by the Minsk Group, in which Nagorno-Karabakh itself was no longer involved. To this day Azerbaijan refuses to recognise Nagorno-Karabakh as a party sui generis.<sup>27</sup>

The representatives of Nagorno-Karabakh argue for international recognition as an independent state, pointing out that they have established their own state structures and democratic processes, drawing particular attention to the holding of elections. They also sought to use the last “parliamentary elections” in May 2015 to highlight the progress of democratisation in the territory.<sup>28</sup> However, it is not easy for political challengers. In 2015 the ruling party, Free Motherland, again confirmed its dominance over the six other parties.<sup>29</sup> Beyond the formal institutional arrangements, various factors inhibit the emergence of real pluralism: a strong personalisation of politics, the continuing imposition of martial law (which at least potentially curtails important rights), a widespread siege mentality among the population, and the precarious security situation created by the conflict.<sup>30</sup>

between budgeted costs and actual spending), with no transparency over which items are actually included under the heading of “defence”.

<sup>26</sup> The BICC’s militarisation index is based not on absolute figures, but on a combination of military spending as a proportion of GDP, ratio of military spending to state health spending, proportion of population accounted for by (para)military forces and reservists compared to the proportion of doctors, and ratio of heavy weapons systems to population. Jan Grebe and Max M. Mutschler, *Globaler Militarisierungsindex 2015* (Bonn: Bonn International Center for Conversion, 2015), 5.

<sup>27</sup> The ethnic Azeris who fled from Nagorno-Karabakh are not involved in the talks in their own right either. Baku insists on the inclusion of both groups or neither.

<sup>28</sup> Donnacha Ó Beacháin, “Elections without Recognition: Presidential and Parliamentary Contests in Abkhazia and Nagorny Karabakh”, *Caucasus Survey* 3, no. 3 (2015): 239–57. Like all previous elections, it was accompanied by sharp criticism from Baku that it contravened international law, and warnings of negative effects on the peace process.

<sup>29</sup> “Rezultaty vyborov v Nagornom Karabakhe priznali vse partii” [Election results in Nagorno-Karabakh recognised by all parties], *Kavkazskiy Uzel*, 5 May 2015, <http://www.kavkaz-uzel.ru/articles/261797/> (accessed 1 April 2016).

<sup>30</sup> Halbach and Smolnik, *Der Streit um Berg-Karabach* (see note 10), 17f.; Freedom House, *Freedom in the World: Nagorno-Karabakh*, <https://freedomhouse.org/report/freedom-world/2015/nagorno-karabakh> (accessed 6 January 2016).

Despite its efforts to gain diplomatic recognition as an independent state, Nagorno-Karabakh cooperates closely with Armenia on political and military matters and is reliant on its financial assistance; access is only possible via Armenia.<sup>31</sup> Integration with its most important ally is well advanced in a series of policy areas and for many years political actors from the de facto state have filled state positions in Armenia itself, up to the highest levels of leadership. For example the current Armenian defence minister previously fulfilled the same function in Nagorno-Karabakh.<sup>32</sup> In June 2015 Armenian media reported a “job swap” suggesting even closer coordination of military structures. Nagorno-Karabakh’s “defence minister” and “chief of staff”, Movses Hakobyan, went to Yerevan to serve as deputy chief of the General Staff of the Armenian armed forces. Levon Mnatsakanyan, who vacated that post, moved in turn to Stepanakert,<sup>33</sup> to take the post vacated by Hakobyan.<sup>34</sup> The real reasons behind this reshuffle remain obscure. While it drew local criticism that it would endanger Nagorno-Karabakh’s image as an at least de facto independent entity, the development suggests that Armenia and Nagorno-Karabakh have closed ranks (again) quite openly. In the course of a restructuring in the defence ministry after the April escalation Hakobyan was appointed deputy defence minister of Armenia in mid-May 2016.

In Armenia, economic and political stagnation began well before 2014. The Republican Party of President Serzh Sargsyan dominates politics, while monopolies control large parts of the economy.<sup>35</sup> The lack of transparency in both spheres (which are also closely linked through informal networks), the difficult socio-economic situation, as well as voting irregularities have also generated great public frustration. According to official figures, 30 percent of Armenians live below the poverty line, more than 17 percent are unemployed.<sup>36</sup> Social tensions sparked in summer 2015, when up to ten thousand people took to the streets in Yerevan and other Armenian cities,<sup>37</sup> protesting against a 16 percent rise in the price of electricity

<sup>31</sup> The global Armenian diaspora also supplies important support, in particular in the form of financial and economic assistance.

<sup>32</sup> Aleksandr Iskandaryan, “Armeniya mezhdru avtokratiey i poliarkhiey” [Armenia between autocracy and polyarchy], *Pro et Contra*, May–August 2011, 19–28.

<sup>33</sup> Azerbaijani: Khankendi.

<sup>34</sup> “Shto oznachaet naznachenie Movsesa Akopyana” [What does the appointment of Movses Hakobyan mean?], *LRagir*, 16 June 2015; “New Karabakh Army Chief Named”, *Azatutyun.am*, 17 June 2015.

<sup>35</sup> Bertelsmann Stiftung, *Bertelsmann Transformation Index (BTI) 2016 – Armenia Country Report*, (Gütersloh, 2016), 16ff; Alexander Iskandaryan, *Armenia, Nations in Transit 2015*, Freedom House, [https://freedomhouse.org/sites/default/files/NIT2015\\_Armenia.pdf](https://freedomhouse.org/sites/default/files/NIT2015_Armenia.pdf) (accessed 31 May 2016); Iskandaryan, “Armeniya mezhdru avtokratiey i poliarkhiey” (see note 32): 26–27.

<sup>36</sup> World Bank Group, *Armenia: A Cloudy Outlook*, Armenia Economic Report no. 6, 2014 (Washington, D.C., 2014). In fact the true figures can be assumed to be even higher.

<sup>37</sup> Earlier protests over pension reforms have been given as one reason for the prime minister’s resignation in 2014. A modified package of legislation was adopted after certain aspects had been ruled unconstitutional. The increase in public protest was accompanied by growing repression against activists. Gohar Saroyan, “Depoliticising Protests in

announced by Electric Networks of Armenia. The protest movement formed spontaneously, was not institutionalised and was directed against both the government and the opposition. As such, both local and international observers interpreted it as a sign of a deep systemic crisis.<sup>38</sup> That assessment is corroborated by current opinion polling: in 2015 more than 80 percent of young Armenians had no confidence in their government, parliament or president.<sup>39</sup>

The summer protests not only unsettled the government in Yerevan. Moscow also appeared concerned. The demonstrations as such were not directed against Russia, although participants also expressed criticism of the Russian InterRAO as the owner of the local electricity grid operator. The protests only acquired a decidedly anti-Russian component in response to their description and categorisation by Russian media and politicians, however. Like the events in Ukraine, Russian commentators frequently castigated the demonstrations as an “Armenian Maidan” that was not spontaneous but initiated with foreign financial backing.<sup>40</sup> This misrepresentation generated resentment among the Armenian population.

This was not the only point of discord between Russia and its closest ally in the South Caucasus, and certainly not the first. In January 2015 a soldier named Permyakov, who was stationed at the Russian base in Gyumri, murdered an Armenian family.<sup>41</sup> Moscow’s decision to try Permyakov in Russia rather than handing him over to the Armenian authorities angered the local population. Probably in order to nip this criticism of the Russian-Armenian alliance in the bud and strengthen the position of President Sargsyan – who was under pressure from the anti-government mass protests – the Kremlin quickly made a series of concessions: The Permyakov case was passed to the Armenian authorities, a loan of more than \$200

Armenia”, *OpenDemocracy*, 6 June 2015, <https://www.opendemocracy.net/od-russia/gohar-saroyan/depoliticising-protest-in-armenia> (accessed 10 June 2016).

<sup>38</sup> Maciej Falkowski, *Protests in Armenia as a Manifestation of the State’s Systemic Crisis*, OSW Analyses (Warsaw: OSW, 1 July 2015), <http://www.osw.waw.pl/en/publikacje/analyses/2015-07-01/protests-armenia-a-manifestation-states-systemic-crisis> (accessed 7 January 2016); Alexander Iskandaryan, “Armenia: Stagnation at Its Utmost”, *Caucasus Analytical Digest*, no. 76 (7 September 2015): 2–6; Zhanna Andreasyan and Georgi Derluguian, “Fuel Protests in Armenia”, *New Left Review*, no. 95 (September–October 2015): 29–48.

<sup>39</sup> Diana Ter-Stepanyan and Edgar Khachatryan, *Between Freedom and Security*, Research Analysis (Vanadzor: PAX and Peace Dialogue, 2015), 18. Armenia’s youth thus has an even more negative attitude towards the political elites and institutions than the average for society as a whole. According to the most recent published figures from *Caucasus Barometer 2013* (<http://www.caucasusbarometer.org>, accessed 1 January 2016) 57 percent mistrust the president, 63 percent the government and 61 percent the political parties.

<sup>40</sup> “Russian Officials See ‘Colour Revolution’ in Armenia – Paper”, *BBC Monitoring Service Global Newsline – Former Soviet Union Political File*, 26 June 2015; “Russian Experts Claim US Embassy Inciting ‘Colour Revolution’ in Armenia”, *BBC Monitoring Service Global Newsline – Former Soviet Union Political File*, 27 June 2015; “Armenian Netizens Use Memes to Mock Russian Media Coverage of Yerevan Protests”, *BBC Monitoring Service Global Newsline – Former Soviet Union Political File*, 30 June 2015.

<sup>41</sup> Emil Sanamyan, “Gruesome Killings Threaten Russian-Armenian Rapport”, *IHS Jane’s Defence Weekly* 52, no. 5 (2015): 34.

million to purchase Russian arms was unveiled, and a reduction in the gas price from \$189 to \$165 per thousand cubic metres was announced. Moscow also declared its consent to an independent audit of Electric Networks of Armenia.

Russia and Armenia have been closely allied since the early 1990s. In 1995 Moscow established the aforementioned military base in Gyumri, where five thousand Russian troops are currently stationed. In 2010 it was agreed to extend its lease until 2044. Armenia is also the only country in the South Caucasus to join the Russian-dominated CSTO. Armenia signed an agreement to join the Russian-led Eurasian Economic Union (EEU) in October 2014, and became its fifth member on 2 January 2015. The Armenian population hopes that this reinforcement of institutional relations with Russia will both boost economic growth and enhance security. The desire for security is extremely strong in light of the Karabakh conflict. While a survey by the Civilitas Foundation in autumn 2014 found EEU and EU membership both enjoying about 60 percent support, a majority believed that joining the Eurasian Economic Union would also improve peace and military security. Only 3 percent expected the same from the European Union.<sup>42</sup>

Armenia's relations with the EU have not, however, broken off completely since its "Eurasian turn" and rejection of EU association. The dialogue on political and economic cooperation continues, one venue being the EU-Armenia Cooperation Council which concentrates on areas where there is no risk of conflict with Armenia's EEU membership. Armenia is also continuing its cooperation with NATO.<sup>43</sup> To that extent, Yerevan's efforts to pursue complementarity in foreign policy have not (yet) run aground. Especially in relation to the Nagorno-Karabakh conflict, relations with the EU and NATO remain important from the Armenian perspective. One effect of breaking them off would be to grant Azerbaijan more space to disseminate its interpretation of the conflict in these institutions – and that is not in Yerevan's interest. But it remains unclear how large the leeway for such a foreign policy will remain in future.

The balance to date of the policy of closeness with Russia, and the role of "Russia's outpost in the South Caucasus",<sup>44</sup> is mixed. Russia's function as security guarantor has not been tested by a new large-scale war between Armenia and Azerbaijan. Yet even the "low-intensity conflict" that has dragged on for years gives Yerevan grounds to criticise its ally. At the CSTO summit in December 2015 President Sargsyan complained in no uncertain

<sup>42</sup> Civilitas Foundation, *What Do We Know about Our Foreign Policy Choices? Findings of the Civilitas Poll* (Yerevan, 6 October 2014), 3–5, <http://www.civilitasfoundation.org/cf/images/stories/binder5.pdf> (accessed 1 June 2016).

<sup>43</sup> European Commission, *Implementation of the European Neighbourhood Policy in Armenia. Progress in 2014 and Recommendations for Actions*, Brussels, 25 March 2015; Erik Davtyan, "Armenia and NATO Reaffirm Their Cooperation", *Eurasia Daily Monitor* 12, no. 22 (4 February 2015).

<sup>44</sup> "Boris Gryzlov: Armeniya yavlyaetsya forpostom Rossii na Yushnom Kavkaze" [Boris Gryzlov: Armenia is Russia's outpost in the South Caucasus], *Regnum*, 15 December 2004.

terms about the lack of support for Armenia over Nagorno-Karabakh from all CSTO members including Russia.<sup>45</sup> The April escalation supplied one of the most recent challenges to the Armenian-Russian relationship. (Civil) Society was joined by a number of senior Armenian officials in criticising Moscow for selling arms to Armenia's enemy – despite its strategic partnership with Yerevan – that were now being used against Armenian troops. Moscow responded by reaffirming its close relations with Yerevan, but Deputy Prime Minister Dmitry Rogozin also left no doubt that Russia would not be changing its line on arms sales.<sup>46</sup> This is one of the factors leading Armenian analyst Richard Giragosian to speak of “a deep and widening crisis in Armenian-Russian relations”.<sup>47</sup>

Economically too, the benefits of orientation on Russia, which has become even closer with EEU membership, appear mixed. The gains expected from membership have certainly failed to materialise.<sup>48</sup> Worse still, closer economic cooperation through the EEU has at least short-term negative effects for Armenia. While the country can benefit through the abolition of tariffs on certain export goods, domestic producers find it hard to compete against Russia, Kazakhstan and Belarus.<sup>49</sup> Media reports citing the Armenian National Statistical Service state that exports to Russia, as well as to Kazakhstan and Belarus, collapsed in the first half of 2015.<sup>50</sup> Remittances from Armenians working in Russia fell by 38 percent in the first three quarters of 2015.<sup>51</sup> Of course these losses are not only or even principally a consequence of EEU membership, but result above all from the weakness of the Russian economy, upon which Armenia is highly dependent.<sup>52</sup> However, EEU membership and the elevated tariffs and charges levied on imports from countries outside it effectively prevent diversification of the Armenian economy.<sup>53</sup> Only indirectly related to the actual gains or losses associated with EEU membership, and arguably reflecting more the growing discomfort with regard to Russia's role in the Nagorno-Karabakh conflict, a recent survey shows a considerable shift in Armenian

<sup>45</sup> Tigran Chachatryan, “Urok Armenii dlya ODKB i Rossii” [Armenia's warning to the CSTO and Russia], *Times.am*, 31 December 2015, <http://inosmi.ru/politic/20151231/234958061.html> (accessed 5 January 2016).

<sup>46</sup> Arshaluis Mghdesyan, “Karabakh Challenges Armenian-Russian Alliance” (London: Institute for War and Peace Reporting [IWPR], 19 April 2016), <https://iwpr.net/global-voices/karabakh-challenges-armenian-russian-alliance> (accessed 24 April 2016).

<sup>47</sup> “Outlook for Karabakh Conflict Remains Bleak – Richard Giragosian”, *Tert.am*, 19 August 2016.

<sup>48</sup> “Eurasian Union Fails to Deliver for Armenia” (London: IWPR, 24 September 2015).

<sup>49</sup> Sergey Minasyan, *Armenia Keeps on Balancing. Between the European Union and the Eurasian Economic Union*, PONARS Eurasia Policy Memo 377 (Washington, D.C.: Institute for European, Russian and Eurasian Studies, August 2015), 3.

<sup>50</sup> “Putin Concerned about Russia's Falling Trade with Armenia”, *Azatutyun.am*, 8 September 2015; Natalia Konarzewska, “Armenia's Economic Woes”, *Central Asia-Caucasus Institute (CACI) Analyst*, 15 September 2015.

<sup>51</sup> Economist Intelligence Unit, *Country Report Armenia* (London, January 2016), 12.

<sup>52</sup> Alexander Libman, *Wirtschaftskrise in Russland: Risiken und Kosten für andere Länder Eurasiens*, SWP-Aktuell 10/2015 (Berlin: Stiftung Wissenschaft und Politik, February 2015).

<sup>53</sup> Konarzewska, “Armenia's Economic Woes” (see note 50).

support for the EEU: Whereas in 2015 36 percent were in favour of Armenia's membership in the Russia-led union, the figure fell to 25 percent in summer 2016. By contrast, support for Armenia's joining the EU has risen over the same period: From 24 percent in 2015 to 41 percent in 2016.<sup>54</sup>

Indeed, the two issues – the Nagorno-Karabakh conflict and the socio-economic situation – are mutually interdependent. This became apparent most recently in July 2016 when a group largely composed of hard-line veterans of the 1990s war occupied a Yerevan police station and took several policemen hostage. The group, calling itself Sasna Tsrer (Daredevils of Sassoun, after an Armenian epic poem) demanded regime change and the release of what they consider “political prisoners”. While many Armenians do not readily approve of the violence, desperate economic circumstances and widespread disillusionment in the prospects of change through political means lead many to embrace “the narrative that peaceful means have been exhausted”.<sup>55</sup>

Additionally, in light of the ongoing conflict, Armenians understand political and economic stagnation as a threat to national security, as the precarious situation forces many Armenians to emigrate. Armenia's population (about three million) is already much smaller than Azerbaijan's (about 9.5 million).<sup>56</sup> A survey in Armenia last year found that the high rates of emigration were regarded as the third-most-important issue after unemployment and poverty – and before Nagorno-Karabakh.<sup>57</sup> Conversely, it is pointed out that the conflict itself has a negative influence on the economic situation, as it leaves two of the landlocked country's four borders closed.<sup>58</sup> International exchange is only possible via Iran and above all Georgia, but whether those routes lead anywhere further depends strongly on the broader geopolitical context.

<sup>54</sup> “Positions to the North or West? Findings of Public Opinion Survey”, *Helsinki Citizens' Assembly Vanadzor Office*, [http://hcav.am/en/events/01-09-2016-04\\_en/](http://hcav.am/en/events/01-09-2016-04_en/) (accessed 1 September 2016).

<sup>55</sup> Serouj Aprahamian, “Regime Change from the Ground Up”, *Armenianweekly.com*, 11 August 2016. See also Nelli Babayan, “Armenia's Everlasting Protest and Its Resonance in Post-Soviet States”, *Foreign Policy Research Institute*, 18 August 2016; “Vlast ispytyvaet illyusiyu, shto vse eshcho v sostoyanii osushchestvlyat v strane menedzhment apatii”, *arminfo.am*, 27 August 2016.

<sup>56</sup> According to *Caucasus Barometer 2013* (see note 39), 61 percent would leave the country for a time if they had the possibility. More than 30 percent said they were prepared to leave for ever. However, the emigration statistics are not terribly reliable; see Anne Herm and Apolonija Oblak Flander, *Report on Sector Review on Migration Statistics in the Republic of Armenia*, 2015, [http://ec.europa.eu/eurostat/documents/52535/52745/SR\\_ARMENIA\\_Migration/ce9b6638-9c86-40d3-9b2e-a54b99491838](http://ec.europa.eu/eurostat/documents/52535/52745/SR_ARMENIA_Migration/ce9b6638-9c86-40d3-9b2e-a54b99491838) (accessed 7 January 2016).

<sup>57</sup> Ter-Stepanyan and Khachatryan, *Between Freedom and Security* (see note 39), 14–16. See also Houry Mayissian, “Armenia's ‘Silent’ National Security Threat”, *Armenian Weekly*, 3 January 2013.

<sup>58</sup> As well as the Armenian-Azerbaijani border, the Turkish-Armenian border has also been closed since the early 1990s. One counter-narrative, however, considers the argument that the ongoing conflict is (one of) the reason(s) for lack of economic development to be merely distraction from the government's failure to tackle monopolies and informal networks between politics and business, which are regarded as the real reasons for Armenia's stagnation.



## Developments on the Azerbaijani Side

Resource-rich Azerbaijan participates selectively in the EU's Eastern Partnership; but it is not seeking integration in European structures.<sup>59</sup> Baku cooperates with the European Union above all in the field of energy, where it seeks to position itself as an alternative to Russia. In the course of the crisis over Ukraine and European efforts to reduce the share of its energy supplied by Russia, Azerbaijan finds its political standing enhanced as an alternative supplier of oil and gas.<sup>60</sup> In the past the EU has repeatedly turned a blind eye to a deteriorating human rights situation in countries that dependably supply energy. The freeze in relations between Brussels and Moscow therefore appeared to bring the EU and Azerbaijan closer together on the basis of a shared interest in energy trading. This "status dividend", it seemed, made Baku a winner of the geopolitical crisis.<sup>61</sup> In this phase the regime considerably tightened its repressive policies towards opposition forces and civil society.<sup>62</sup> This development was based on two factors that are directly connected with the crisis over Ukraine: Firstly, the Euromaidan, as the latest example of "regime change from below", greatly unsettled Azerbaijani President Ilham Aliyev, who has ruled since 2003.<sup>63</sup> Secondly, in view of the confrontation with Russia, he and his followers expected the West to pay little heed to a more repressive Azerbaijani domestic policy.

When Baku staged the first European Games in June 2015, the government treated the event as a prestige project not least aimed at boosting its

<sup>59</sup> Although the EU launched talks with Azerbaijan on an Association Agreement (in 2010) and on a Strategic Modernisation Partnership (in 2013), neither has made meaningful progress because Baku shows little political interest, and wishes only to discuss economic and security aspects. See Gela Merabishvili, *The EU and Azerbaijan: Game on for a More Normative Policy?*, CEPS Policy Brief 329 (Brussels: Centre for European Policy Studies [CEPS], March 2015).

<sup>60</sup> Compare the statements by European Council President Donald Tusk after his July 2015 meeting with President Ilham Aliyev of Azerbaijan: Azerbaijan, Tusk said, is a "reliable and strategic partner in the energy field" and "a main partner" in the EU's efforts to diversify its energy supply. "Remarks by President Donald Tusk Following His Meeting with the President of Azerbaijan Ilham Aliyev", 22 July 2015, [http://dsms.consilium.europa.eu/952/Actions/Newsletter.aspx?messageid=1183&customerid=2326&password=enc\\_3239334442454239\\_enc](http://dsms.consilium.europa.eu/952/Actions/Newsletter.aspx?messageid=1183&customerid=2326&password=enc_3239334442454239_enc) (accessed 5 January 2016).

<sup>61</sup> Eugene Chausovsky, "The Crimean Crisis and the Energy Ramifications for Azerbaijan", *Eurasianet.org*, 26 March 2014, <http://www.eurasianet.org/node/68195> (accessed 1 June 2016); Shahin Abbasov, "Azerbaijan May Benefit from the Russia-Ukraine Crisis", *Eurasianet.org*, 13 March 2014, <http://www.eurasianet.org/node/68142> (accessed 1 June 2016).

<sup>62</sup> Amnesty International, *Guilty of Defending Rights: Azerbaijan's Human Rights Defenders and Activists behind Bars* (London, 2015); United States Department of State, *Azerbaijan 2014 Human Rights Report*, <http://www.state.gov/documents/organization/236712.pdf> (accessed 10 January 2016).

<sup>63</sup> Bayram Balci, "The Syrian Crisis: A View from Azerbaijan", *Foreign Policy Journal*, 18 March 2013; Thomas De Waal, "Regime Change Divides East and West", *Carnegie Moscow Center*, 17 December 2014, <http://carnegie.ru/eurasiaoutlook/?fa=57535> (accessed 5 January 2016). Since 2004 Freedom House has consistently given Azerbaijan the worst rating, "not free", in its Freedom in the World Index.

image abroad, but Western media also supplied many negative headlines about the political establishment.<sup>64</sup> Further potential for conflict arose through Azerbaijan's insistence on the closure of the OSCE's Baku office in July 2015. This measure was regarded by regional and international analysts as further evidence of the Azerbaijani government's hard line against domestic and foreign institutions that are not to its liking.<sup>65</sup> The OSCE's decision not to send a mission to observe the Azerbaijani parliamentary elections in November 2015 further strained relations.

The relationship between the European Union and Azerbaijan hit a new low in September 2015, when a European Parliament resolution voiced unusually sharp criticism ("The European Parliament strongly condemns the unprecedented repression against civil society in Azerbaijan") and called for political consequences.<sup>66</sup> Baku responded without delay, cancelling the planned visit by a European Commission delegation, suspending participation in the Euronest format of the European Neighbourhood Policy (ENP) and announcing a comprehensive review of joint cooperation projects. President Aliyev blamed the Armenian lobby for the success of the resolution, claiming that they were also behind the negative reporting in Western media as well as earlier critical resolutions adopted by the German Bundestag and the Parliamentary Assembly of the Council of Europe.<sup>67</sup>

Relations between Washington and Baku have been deteriorating for some time. Baku took particular umbrage at the activities of US or US-funded organisations and media working in the country for greater pluralism. Like the Russians, the Azerbaijani leadership interpreted the change of regime in Ukraine as an act encouraged – if not in fact initiated – by the United States. Their supposition that Washington harbours similar plans for their own country has further heightened wariness.<sup>68</sup> In the United States, on the other hand, there is increasingly open and vociferous criticism of the human rights situation in Azerbaijan. If adopted, the Azerbaijan Democracy Act introduced in the House of Representatives on 16 December 2015 would provide for extensive visa sanctions to be imposed against representatives of the regime.<sup>69</sup> Here again, Azerbaijani politicians

<sup>64</sup> For example, "Ein Fest für Funktionäre: Europaspiele in Aserbaidzhan", *Cicero*, 26 June 2015.

<sup>65</sup> "Zakrytie ofisa OBSE v Baku eksperty svyazali s vneshney politikoy Azerbaidzhana" [Experts see closure of OSCE Baku office linked to Azerbaijani foreign policy], *KavkazUzel*, 8 June 2015.

<sup>66</sup> "European Parliament Resolution on Azerbaijan", 9 September 2015, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+MOTION+P8-RC-2015-0856+0+DOC+XML+V0//EN> (accessed 6 January 2016).

<sup>67</sup> "Azeri President Slams European Parliament Resolution", *BBC Monitoring Global Newline – Former Soviet Union Political File*, 16 September 2015.

<sup>68</sup> "Paper Says USA Wants to Overthrow Government in Azerbaijan", *BBC Monitoring Global Newline – Former Soviet Union Political File*, 11 July 2015; "Azerbaydzhan: model novoy vneshney politiki i vzglyada v budushchee" [Azerbaijan: Model of new foreign policy and future outlook], *AzerTac*, 13 October 2015.

<sup>69</sup> "Azerbaijan Democracy Act of 2015", <https://www.congress.gov/bill/114th-congress/house-bill/4264/text?format=txt> (accessed 4 January 2016).

and officials attributed the legislation to the Armenian lobby.<sup>70</sup> And again Baku responded with immediate counter-measures: draft legislation proposes severely restricting political, economic and societal cooperation; Baku also voiced its intention to work to have the American Minsk Group co-chair removed.

These dynamics do not only affect Azerbaijan's relations with the West. They also have negative effects on the handling of the Nagorno-Karabakh conflict. Baku's automatic identification of the Armenians as the real cause of the problems underlines how narrow the space has become for societal reconciliation projects. The question also arises of the possible consequences for the work of the Minsk Group – two of whose three co-chairs are representatives of Western states.

Presidential advisor Ali Hasanov regards the Western criticism as part of a "crusade".<sup>71</sup> In light of these criticisms, Baku has turned back more strongly to Moscow, which shares a similar assessment of events like the Euromaidan. Relations with Russia, with which Azerbaijan shares a 284-kilometre northern border and access to the Caspian Sea, are regarded as a legitimate alternative to a Western orientation. The Azerbaijani political elite is well aware of Russia's role in the Caucasus and especially of the Kremlin's influence over the military balance there. Especially in recent years Russia has supplied Azerbaijan with highly advanced weapons systems worth almost \$4 billion. Last year several meetings were held between high-ranking politicians from Baku and Moscow, which some observers interpreted as Russia's seeking even closer – also military – cooperation between the two countries and/or a possible deal in the Nagorno-Karabakh conflict.<sup>72</sup> Such meetings continued in the first half of 2016 – also in a trilateral format including Iran. While the offices of Western media outlets such as Radio Free Europe have been closed, the activities of the Russian Sputnik group and its Azerbaijani-language radio Sputnik Azerbaijan have expanded. This suggests that Moscow possesses an advantage in the struggle for control over interpretation of events, and thus also influence. The importance the Baku elites place on good relations with Russia was underlined by their response to Turkish-Russian tensions.<sup>73</sup>

<sup>70</sup> "Baku Condemns US Bill Seeking Sanctions on Azeri Officials", *Ann.az*, 18 December 2015; "Parliament Outraged by U.S. Congressman's Anti-Azerbaijan Bill", *Azernews*, 18 December 2015.

<sup>71</sup> "Ali Hasanov, a 'Crusade' against Azerbaijan", *Contact*, 29 December 2015.

<sup>72</sup> Zaur Shiriyev, "Emergence of a Russian 'Fifth Column' and Propaganda Machine inside Azerbaijan", *Eurasia Daily Monitor* 12, no. 150 (10 August 2015); idem, "The Logic of Lavrov's Baku Visit", *Eurasia Daily Monitor* 12, no. 164 (14 September 2015). For a differing interpretation, cf. "Sushchestvuet veroyatnost togo, chto uvelichitsya voennaya aktivnost na linii soprikosnoveniya: Aleksandr Iskandaryan", *1in.am*, 22 August 2016, <http://ru.1in.am/1163458.html> (accessed 1 September 2016).

<sup>73</sup> The shooting down of a Russian warplane by the Turkish air force in autumn 2015 caused a rift. The Kremlin imposed sweeping sanctions affecting both economic and societal relations; opposing positions in the Syria conflict further heightened tensions. See also Jeffrey Mankoff, "Why Russia and Turkey Fight", *Foreign Affairs*, 24 February 2016,

Turkey and Azerbaijan are traditionally close partners; in 2010 they established a military alliance with the Agreement on Strategic Partnership and Mutual Support.<sup>74</sup> While Ankara sought the support of its ally in the Russian-Turkish crisis,<sup>75</sup> Baku avoided taking sides, instead assiduously offering its services as mediator between Moscow and Ankara. Baku stuck to this strategy even as the Karabakh conflict escalated in early April 2016: although Ankara clearly took its side, Azerbaijan avoided worsening Russian-Turkish tensions.<sup>76</sup>

It is currently still unclear how the country's current economic stagnation will affect its external orientation.<sup>77</sup> The continuing weakness of the oil price is creating difficulties for the relatively undiversified Azerbaijani economy. The central bank devalued the manat by 34 percent in February 2015, but by December found itself forced to allow the national currency to float against the dollar, leading to a further devaluation of more than 30 percent.<sup>78</sup> In response to the socio-economic crisis President Aliyev has announced a sweeping privatisation programme, for which he is seeking to recruit international experts and local and international investors.<sup>79</sup> Exploratory talks with the International Monetary Fund and the World Bank have already been held.<sup>80</sup> It remains unclear whether this actually represents the beginning of a rapprochement with the West. From Aliyev's perspective, the conditions international financial institutions place on credit risks undermining his government's political stability.<sup>81</sup> In recent

<https://www.foreignaffairs.com/articles/turkey/2016-02-24/why-russia-and-turkey-fight> (accessed 2 June 2016).

<sup>74</sup> Shahin Abbasov, "Azerbaijan-Turkey Military Pact Signals Impatience with Minsk Talks – Analysts", *Eurasianet.org*, 18 January 2011, <http://www.eurasianet.org/node/62732> (accessed 2 June 2016).

<sup>75</sup> Eldar Mamedov, "Turkish-Russian Tension Creates Quandary for Azerbaijan", *Eurasianet.org*, 30 November 2015, <http://www.eurasianet.org/node/76331> (accessed 2 June 2016).

<sup>76</sup> Joshua Kucera, "Armenia, Azerbaijan Air Grievances against 'Allies'", *Eurasianet.org*, 12 April 2016, <http://www.eurasianet.org/node/78266> (accessed 20 April 2016).

<sup>77</sup> The eruption of fighting in spring 2016 fanned speculation about a connection to the economic crisis in Azerbaijan. Some saw a direct causality between economic difficulties and escalation, while others interpreted the conflict's overshadowing of economic issues as at least a welcome side-effect. See Jarosiewicz and Falkowski, *The Four-Day War* (see note 19). In fact a wide range of possible motivations for the conflict are discussed for both sides, and it would probably require a comprehensive fact-finding mission to produce clarity.

<sup>78</sup> "Azerbaijani Manat Collapses after Government Abandons Dollar Peg", *FT.com*, 21 December 2015; "Azeri News Agency Reports Sharp Hike in Prices of Food Products", *BBC Monitoring Global Newsline – Former Soviet Union Political File*, 2 January 2016; Economist Intelligence Unit, *Country Report Azerbaijan* (London, January 2016).

<sup>79</sup> "Ilham Aliyev Chaired a Meeting on Economic and Social Issues", website of the *President of Azerbaijan, Ilham Aliyev*, 18 January 2016, <http://en.president.az/articles/17525> (accessed 10 February 2016).

<sup>80</sup> "Azerbaijan Turns to IMF, World Bank after Collapse in Crude", *Bloomberg*, 28 January 2016.

<sup>81</sup> The manat devaluation has already caused prices of important consumer goods to rise, and there have been regional protests against rising living costs. "Azerbaijani Manat Collapses" (see note 78); "Azeri News Agency Reports Sharp Hike" (see note 78); Economist Intelligence Unit, *Country Report Azerbaijan* (see note 78); "Protest at Price Hikes Continue

months there have been reports of individual demands made by Western governments and international human rights organisations having been fulfilled. In March 2016 more than a dozen political prisoners were amnestied; in April frozen NGO bank accounts were released and the prominent human rights activists Leyla and Arif Yunus and the critical journalist Khadija Ismayilova were released from prison (although not completely exonerated). It is, however, highly dubious whether these measures will actually initiate real political change or whether they were more a situative attempt to shift relations with the West onto a more cooperative track. The latter reading appears to be confirmed by Baku's recently published plans to hold a constitutional referendum in late September 2016. The proposed changes include prolonging presidential terms from five to seven years, additional presidential powers such as the right to schedule extraordinary presidential elections, and constraints on the right to free assembly (making it conditional upon compliance with public order and morality). Several members of the opposition have been arrested in the run-up to the referendum.<sup>82</sup>

Russia itself is mired in economic recession, and to that extent not an obvious source of major investment. Moreover, Baku's differences with the West should not lead us to forget that it has its own problems with Moscow too. While the Azerbaijani government shares the Kremlin's assessment of the Maidan, it absolutely rejects Russian annexation of Crimea in the light of the violation of its own territorial integrity. Furthermore, ever since the Karabakh conflict began – recent major arms deals notwithstanding – Russia has been perceived above all as Armenia's ally and thus traditionally eyed with scepticism.<sup>83</sup> It remains to be seen how the April escalation will affect Azerbaijan's relations with Russia and with the West.

in Northern Azerbaijan – News Agency”, *BBC Monitoring Global Newswire – Former Soviet Union Political File*, 14 January 2016.

<sup>82</sup> Dominika Bychawska-Siniarska, “Azerbaijan's Unconstitutional Future”, *opendemocracy.net*, 10 August 2016, <https://www.opendemocracy.net/od-russia/dominika-bychawska-siniarska/azerbaijan-s-unconstitutional-future> (accessed 1 September 2016); Even before the referendum plans became public, several measures supported such an interpretation: the space for critical voices has remained severely limited, with a steady stream of reports of travel bans, police interrogations and (temporary) detention of dissidents. See amongst others, “Another Azerbaijani Journalist Prevented from Leaving Country – Report”, *BBC Monitoring Soviet Union Political File*, 24 March 2016; Afgan Mukhtarli, “Explaining Azerbaijan's Surprise Prisoner Amnesty” (London: IWPR, 22 March 2016), <https://iwpr.net/global-voices/explaining-azerbaijans-surprise-prisoner> (accessed 14 April 2016); “Azeri Pro-Opposition Agency Says President Faces Dilemma after US Visit”, *BBC Monitoring Soviet Union Political File*, 4 April 2016; “Controversial Azeri Author Released after Brief Detention”, *BBC Monitoring Soviet Union Political File*, 31 March 2016. For more general information see *Shrinking Space for Civil Society in Azerbaijan. Tackling Restrictive Laws, Criminal Prosecutions, Tax Penalties* (Baku: Institute for Reporters' Freedom and Safety [IRFS], June 2016).

<sup>83</sup> Arif Yunusov, “Azerbaijan at the Beginning of 2014: Internal Instability against the Background of External Developments and Challenges”, in *Euro-Atlantic Partnerships and the South Caucasus: A Strategic Approach to Regional Security – Conference Materials*, ed. Gayane Novikova (Yerevan, 2014), 57–77 (63).

## Conflict Regulation and Options for the Political Elites

Russia's role in the Nagorno-Karabakh conflict is ambivalent. On the one side it supplies arms to both Armenia and Azerbaijan, on the other it is a co-chair of the Minsk Group and thus one of the main mediators. Apart from mediation at the international level, Moscow has also repeatedly taken the initiative at the bilateral level. After the Russo-Georgian War of 2008, with the broad agreement of its partners in the Minsk Group, it repeatedly brought the presidents of Armenia and Azerbaijan to the negotiating table in various Russian cities. Russia and the other members of the Minsk Group intensified their diplomatic efforts over the past two years, after incidents flared up along the line of contact and the Armenian-Azerbaijani border proper, arranging meetings of the presidents of Azerbaijan and Armenia in Sochi, Wales and Paris in 2014 and in Bern at the end of 2015. During the latest outburst of violence it was again the Kremlin that intervened immediately to de-escalate, successfully arranging a truce on the fourth day of fighting.<sup>84</sup> Western actors quickly came in for criticism for having reacted too slowly or not decisively enough. The fact that the representatives of the Minsk Group did not meet until the day the truce was agreed in Moscow was regarded as symptomatic.<sup>85</sup> The full extent of the influence of external actors on the conflict parties and the degree to which they could push through a lasting long-term regulation of the conflict is unclear, however.<sup>86</sup> To date attempts at external mediation have enjoyed little success. The current situation, with reports of ongoing violations of the cease-fire and further deaths, also suggests that the key to peaceful resolution lies above all with the conflict parties themselves.

The political leaderships on both sides have used the tensions between Russia and the West in the context of the crisis over Ukraine to relativise their own responsibility and blame the impasse in negotiations on the lack

<sup>84</sup> Moscow continued its shuttle diplomacy after the signing of the cease-fire agreement, and tried to persuade both sides to begin talks. Evgeniya Kryuchkova, "Dmitriy Medvedev podoshel k Karabakhu simmetrichno" [Dmitri Medvedev approaches Karabakh symmetrically], *Kommersant*, 9 April 2016 (via Integrum); Sergey Stokan, Olga Kuznetsova and Ivan Safirov, "Azerbaidzhan i Armeniyu vedut k stolu peregovorov" [Leading Azerbaijan and Armenia to the negotiating table], *Kommersant*, 20 April 2016 (via Integrum); Aleksey Bausin, "Glubokaya razmorozka" [Lasting thaw], *Profil*, 11 April 2016 (via Integrum).

<sup>85</sup> Matthew Bryza, "Putin Fills Another U.S. Leadership Void in Nagorno-Karabakh", *Washington Post* (online), 11 April 2016, [https://www.washingtonpost.com/opinions/nagorno-karabakh-conflict-is-too-dangerous-to-ignore/2016/04/11/1e32fc44-ff23-11e5-9d36-33d198ea26c5\\_story.html](https://www.washingtonpost.com/opinions/nagorno-karabakh-conflict-is-too-dangerous-to-ignore/2016/04/11/1e32fc44-ff23-11e5-9d36-33d198ea26c5_story.html) (accessed 1 June 2016).

<sup>86</sup> There is no consensus on whether Russia acted in consultation with Western actors, for example with the other co-chairs of the Minsk Group or with Germany as the current OSCE chair. Simultaneous reports in German and Russian media about a seven-point plan with stabilising, deescalating and solution-seeking measures, and reports of a telephone call between the Russian and German foreign ministers do suggest at least a certain degree of coordination.

of pressure from the “major powers”.<sup>87</sup> Such arguments, and increasing criticism of their work, motivated the three co-chairs of the Minsk Group to issue a joint declaration in December 2015 (before the most recent escalation) emphasising the group’s unity and reiterating: “Any attempts to blame the Co-Chairs for setbacks in the negotiation process only mask the primary obstacle to peace – the lack of political will in Armenia and Azerbaijan to reach a negotiated settlement.”<sup>88</sup>

The local elites occupy opposing starting points that affect their scope of action. As the party whose territorial integrity has been violated, Azerbaijan is the “status quo challenger”; Armenia on the other hand profits from the de facto independence of Nagorno-Karabakh and is the “status quo power”.<sup>89</sup> These diametrically opposed positions are decisive for how each of the two sides interprets situations and developments, and are used to justify their respective positions. They also play a role in the following three factors that decisively limit their options: (1) authoritarian governance including a convergence of politics and private business, (2) lack of established communication channels between governing elite and society, and (3) embedding of conflict parties in regional and international power constellations.

Authoritarian elites are probably the greatest obstacle to conflict resolution. On both sides they use the status quo to secure or stabilise their rule. The conflict serves the elites as an excuse to restrict civil liberties, and they also harness it to present themselves internally as the defenders of national security against the “external enemy”.<sup>90</sup> Political and economic positions are frequently closely interlinked, and the elites have to a great extent adapted to the conflict, with the closed borders facilitating the formation of monopolies and cartels by pursuing strong particular interests.<sup>91</sup> Altering the status quo would not only call into question the stability of the political positions, but also place a redistribution of economic sinecures on the agenda. The priority of the ruling elites is “not to solve the conflict, but to stay in power; only when solving the conflict becomes compatible with staying in power will we see a peace strategy emerging.”<sup>92</sup>

<sup>87</sup> On the role of the “Great Game” discourse and local “geopolitical imaginaries”, see Laurence Broers, “From ‘Frozen Conflict’ to Enduring Rivalry: Reassessing the Nagorno Karabakh Conflict”, *Nationalities Papers* 43, no. 4 (2015): 556–76 (562–63).

<sup>88</sup> “Joint Statement by the Heads of Delegation of the OSCE Minsk Group Co-Chair Countries” (Washington, D.C., 3 December 2015), <http://www.state.gov/r/pa/prs/ps/2015/12/250321.htm> (accessed 7 January 2016).

<sup>89</sup> Broers, “Internet Press-Conference” (see note 22).

<sup>90</sup> The April escalation has also been discussed in the context of a distraction from domestic (especially socio-economic) challenges faced by both sides, and of a strengthening of national unity. Anna Maria Dwyer and Konrad Zasztowt, *The Escalation of the Conflict in Nagorno-Karabakh: Causes and Probable Course*, PISM Bulletin 26 (876) (Warsaw: Polski Instytut Spraw Międzynarodowych [PISM, Polish Institute of International Affairs], 6 April 2016).

<sup>91</sup> Bertelsmann Stiftung, *BTI 2014 – Armenia* (see note 35), 15ff.; Bertelsmann Stiftung, *BTI 2016 – Azerbaijan Country Report* (Gütersloh, 2016), 22ff. (14); Laurence Broers, “Confidence-building in the Karabakh Conflict: What Next?”, *Caucasus Edition*, 18 February 2014.

<sup>92</sup> Broers, “Internet Press-Conference” (see note 22).

Democratic relations between society and state are also lacking. In these political systems the degree of political participation is very slight. To that extent society also has basically no influence over the negotiations on the Nagorno-Karabakh conflict, which are anyway restricted to Track 1 level. With the civil societies under pressure, the circle of actors that could potentially become involved at Track 2 and Track 3 level is tiny. Exacerbating matters, militaristic rhetoric and the arms race between the two sides further heighten feelings of threat in these societies.

Both factors – authoritarianism and lack of democratic relations between society and state – amplify distorted conflict perceptions. Exclusive narratives and nationalistic stereotypes dominate, underpinned by tendentious historiography and backward-looking reasoning. Opinion polls reflect the zero-sum mentality that dominates on both sides. Thus while – as shown above – the Armenian population views the socio-economic situation critically, this in no way translates into a greater willingness to compromise. According to the aforementioned survey of young Armenians in 2015 – and thus still before the April escalation of this year, almost two-thirds believe a peaceful resolution of the conflict to be (rather) unlikely. Although this also means that about 30 percent see a peaceful resolution as possible, there is little room for concessions. 90 percent of those surveyed regard the transfer of particular territories to Azerbaijan as unacceptable (21 percent rather unacceptable, almost 70 percent completely unacceptable).<sup>93</sup> The Azerbaijani side is equally uncompromising. Here, according to a Caucasus Barometer survey in 2013, 90 percent would not accept a jointly administered zone; 44 percent reject even a status of strong autonomy for Nagorno-Karabakh within Azerbaijan.<sup>94</sup>

As described above, the tensions between Russia and the West engendered by the crisis over Ukraine also affect the foreign policy and conflict stances of Armenia and Azerbaijan. As the analysis shows, the conflict parties are influenced by the geopolitical context, but also seek to exploit the changing environment for their own ends. In this new system of coordinates it is unclear whether and to what extent the representatives of the Minsk Group are in a position to contribute to a coming together of the two sides or a containment of the conflict. Not only have the Ukraine conflict and the ongoing wars in the Middle East changed the relationships between governments of the three co-chairs; orientations and perceptions in Baku and Yerevan have also shifted over the months. In any case the fronts appear harder than ever, with the latest escalation leaving little prospect of a timely resolution.

<sup>93</sup> Ter-Stepanyan and Khachatryan, *Between Freedom and Security* (see note 39), 57–61. Earlier surveys produced similar findings. For example according to *Caucasus Barometer 2013* (see note 39) 93 percent of Armenians completely reject the idea of Nagorno-Karabakh being jointly administered by Armenia and Azerbaijan; and 95 percent regard a status as part of Azerbaijan with far-reaching autonomous status as unacceptable.

<sup>94</sup> *Caucasus Barometer 2013* (see note 39).



# Conclusions and Recommendations: European Peace Policy in the Unresolved Conflicts

Sabine Fischer

At the beginning of the 2000s the EU decided to become involved in the resolution of ethno-territorial conflicts in its neighbourhood. That objective was explicitly formulated in the context of the 2004 enlargement and the concomitant modifications to the Common Foreign and Security Policy.<sup>1</sup> Since then, the European Union's political and economic weight in its eastern neighbourhood has grown considerably, to make it the most important actor in the region alongside Russia. The EU has also become more involved in conflict-resolution processes in the region, although without being able to bring them to a successful conclusion. Since 2014 the EU has been embroiled in open geopolitical conflict with Moscow over Ukraine.

## EU Policy in the Unresolved Conflicts Evolves in Two Dimensions

*Conflict policy through Europeanisation:* Against the backdrop of its own historical experience, the EU operates on the assumption that economically prosperous democracies are unlikely to go to war with one another. It consequently pursues a policy of Europeanisation in its eastern neighbourhood, directed towards democratisation and economic liberalisation. At the time when the European Neighbourhood Policy was conceived, it was assumed that strengthening human rights and minority protections, anchoring the principles of division of powers and peaceful conflict resolution, societal reconciliation, and economic development would also have a positive effect on the ethno-territorial conflicts.<sup>2</sup> The connection to conflict regulation is purely indirect here: while it is assumed that good governance will bring peace, the policy avoids addressing the causes of conflicts directly.<sup>3</sup>

<sup>1</sup> See for example Commission of the European Communities, *Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*, COM(2003) 104 final, Brussels, 11 March 2003, 12, [http://eeas.europa.eu/enp/pdf/pdf/com03\\_104\\_en.pdf](http://eeas.europa.eu/enp/pdf/pdf/com03_104_en.pdf); *A Secure Europe in a Better World: European Security Strategy* (Brussels, 12 December 2003), <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf> (accessed each 26 May 2016). See also Nicu Popescu, *EU Foreign Policy and Post-Soviet Conflicts: Stealth Intervention* (New York, 2011), 32ff.

<sup>2</sup> Sandra Poggoda et al., “Assessing the Impact of EU Governmentality in Post-conflict Countries: Pacification or Reconciliation?”, *European Security* 23, no. 3 (2014): 227–49. See also Bruno Coppieters et al., “Introduction”, *Journal on Ethnopolitics and Minority Issues in Europe* 5, no. 1 (2004, special issue: Europeanization and Conflict Resolution: Case Studies from the European Periphery): 1–9, <http://www.ecmi.de/publications/detail/issue-12004-61/> (accessed 26 May 2016).

<sup>3</sup> Neil Melvin and Giulia Prelz Oltramonti, *Managing Conflict and Integration in the South Caucasus: A Challenge for the European Union*, SIPRI-CASCADE Policy Brief (Stockholm: Stock-

While promotion of democracy and (market) economic development can certainly make important contributions to stabilising a country or region, this approach creates problems for the EU in the unresolved conflicts in its eastern neighbourhood for at least two reasons:

Firstly, the EU pursues its policy via relations with the states affected by the conflicts, so it is considered partial by all sides.<sup>4</sup> This has been particularly noticeable in the conflicts over Transnistria, Abkhazia and South Ossetia, where the EU's closeness to Chişinău and Tbilisi made it partisan as far as Tiraspol, Sukhum/i and Tskhinval/i were concerned. In the Nagorno-Karabakh conflict the EU's situation is complicated by the fact that Armenia and Azerbaijan are both Eastern Partnership countries. Exhibiting a kind of "split personality", Brussels recognised both Azerbaijan's right to territorial integrity and the Armenians' right to national self-determination.<sup>5</sup> This ambiguity weakens the EU's position with respect to both sides.

Secondly, because the EU possesses no dedicated strategy for handling the conflicts in its eastern neighbourhood and its policy is largely defined through its relations with the respective *de jure* states, its scope of action depends on whether and to what extent the affected governments show any interest at all in its engagement.<sup>6</sup> Here the spectrum ranges from Azerbaijan's sceptical stance to Saakashvili's energetic efforts to draw the EU into the conflict on Georgia's side.

*Direct engagement:* In the course of the past fifteen years the EU has also become directly involved in conflict regulation processes at state and non-state level. In the 5+2 format within which the Transnistria conflict is negotiated, the EU has enjoyed observer status since 2005. Between 2005 and 2010 an EU Special Representative was mandated with strengthening the Union's role in resolving the conflict. Since 2008 the EU Special Representative for the South Caucasus and the crisis in Georgia has worked with the UN, OSCE and Russia to coordinate the Geneva International Discussions on the conflicts over Abkhazia and South Ossetia. The EU Border Assistance Mission (EUBAM) has been helping Moldova to secure the Transnistrian section of the border with Ukraine since 2005.<sup>7</sup> The EU Monitoring Mission (EUMM) has been observing the Georgian side of the cease-fire

holm International Peace Research Institute [SIPRI], November 2015), 2, [http://books.sipri.org/product\\_info?c\\_product\\_id=502#](http://books.sipri.org/product_info?c_product_id=502#) (accessed 26 May 2016).

<sup>4</sup> Other international organisations are not neutral either, because their policies are based on relationships with recognised states and the principle of the inviolability of state sovereignty. However, the OSCE and the UN tend to be regarded as "more neutral" in the contested territories in the eastern neighbourhood because of the major role Russia plays in them.

<sup>5</sup> Popescu, *EU Foreign Policy* (see note 1), 104.

<sup>6</sup> Gwendolyn Sasse, "The European Neighbourhood Policy and Conflict Management: A Comparison of Moldova and the Caucasus", *Ethnopolitics* 8, no. 3 (2009): 369–86.

<sup>7</sup> George Dura, "EUBAM Moldova-Ukraine", in *European Security and Defence Policy: The First 10 Years (1999–2009)*, ed. Giovanni Grevi, Damien Helly and Daniel Keohane (Paris: European Union Institute for Security Studies [EUISS], 2009), 275–86.

lines with Abkhazia and South Ossetia since 2008.<sup>8</sup> After the Russo-Georgian War of 2008 the EU developed a policy of “engagement without recognition” for Abkhazia and South Ossetia, seeking to lift their isolation and enable greater political, economic and societal exchange.<sup>9</sup> The EU supports civil society initiatives promoting dialogue and reconciliation in all four conflicts.

Hence the EU’s direct activities intensified, if slowly, during the second half of the 2000s. At the same time, internal debates within the EU at this time were always coloured by the question of relations with Russia: the positions of member states on whether greater efforts were required to resolve the conflicts depended above all on their respective attitudes towards Moscow. States like Germany, France or Italy, which strove for a strategic partnership with Russia, tended to shy away from greater engagement in Russia’s “backyard”. Poland, the Baltic states, Sweden and others urged for more decisive backing for the affected *de jure* states and lent them active bilateral support. This lack of unity hindered the emergence of a common policy and sent contradictory messages that generally bore little relation to the realities of the conflicts, and even had counterproductive effects.

European Union policy on Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh has stagnated since 2010. Initially this was an effect of attention being diverted to the Arab Spring from 2011. The worsening euro crisis also reduced the EU’s external policy capacities, a large part of which then became tied up by developments in Ukraine, the war in Syria and most recently the refugee crisis. In the Ukraine conflict it was in fact not the EU that took the initiative on mediation, but the member states Germany, France and Poland.

### **Russia: Selective Revisionism and Controlled Instability**

Over the past fifteen years Russia has increasingly consistently included deliberate revisionist elements in its policies towards the unresolved conflicts. Moscow undermines the sovereignty and territorial integrity of its neighbours through its military presence, by promoting state-building in the contested territories, offering parts of their populations Russian citizenship and lending economic support to the *de facto* states. Yet despite the annexation of Crimea, its objective is not systematic expansion, not the re-establishment of a territorial empire to its objective is neither systematic expansion nor the re-establishment of a territorial empire. What Moscow actually wants is to control political developments in the states affected by secession, safeguard its own influence and prevent these states from reorientating to the West (in other words the EU and NATO). Russia seeks to achieve this by instrumentalising the conflicts through a policy of controlled instability. Leaving aside the fact that Russian influence in the

<sup>8</sup> Sabine Fischer, “EUMM Georgia”, in *ibid.*, 379–90.

<sup>9</sup> Sabine Fischer, *The EU’s Non-Recognition and Engagement Policy towards Abkhazia and South Ossetia*, EUISS Seminar Report (Paris: EUISS, December 2010).

de facto states is by no means unlimited, this line has transpired to be extremely counterproductive for the Kremlin. After all, it was precisely the perception of a growing Russian threat that repeatedly strengthened pro-Western currents in Georgia, Ukraine and Moldova during the past decade and a half.

Moscow's stance in the unresolved conflicts is closely connected with its policy in Eurasia and its domestic political situation. At the latest since 2012 the top priority of Russian foreign policy has been to protect its own sphere of influence and consolidate integration formats of its own making. Relations with the EU have grown ever more confrontational due to growing rivalry over influence in the region. Since the conservative turn in Russian politics in 2011/12 (and even more so since 2014) securing Russian predominance in the neighbourhood and repelling "harmful Western influences" have become an important internal source of legitimacy for the Russian political leadership. The enduring economic crisis in Russia and growing socio-economic tensions may well strengthen rather than weaken this nexus. For the time being, therefore, major change in Russian policy in Eurasia and in the unresolved conflicts should not be expected.

### **The Unresolved Conflicts in Comparison**

As the Soviet Union collapsed, the conflicts over Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh escalated into – sometimes extremely bloody – wars that left many dead and many more displaced. Russian involvement played a key role in ending the fighting. Since then the conflicts remain unresolved and create problems not only for the parent states, but also for the secessionist entities and the entire region. The number of international actors involved in the conflict regulation processes has grown since the 1990s. However, Russia continues to play a decisive role in all four conflicts.

The conflicts differ strongly in their histories and in the depth of entrenchment in the affected societies. The Transnistria conflict only emerged when the Soviet Union collapsed, and was driven more by questions of resource redistribution and guarding political influence than by deep-rooted attributions of historical, ethnic and cultural difference. Such attributions, on the other hand, figured among the root causes of the tensions in the South Caucasus. Here too, the wars involved distribution conflicts among the elites. But these became conflated with a long history of – in many cases mutual – repression and discrimination within the structures of the Russian and Soviet empires. In the case of Nagorno-Karabakh both sides mythologise the contested territory as the birthplace of their respective nation. Thus the narratives driving the conflicts are much more deeply rooted in the societies of the South Caucasus than in Moldova and the TMR. The trauma suffered in the South Caucasus wars, which were fought with particular brutality, still shapes identity discourses in all the affected societies.

The structural difference between the Transnistria conflicts and the conflicts in the South Caucasus is also reflected in the fact that the boundary line between the uncontested part of Moldova and the TMR has always remained open since the early 1990s. Economic and societal exchange has never been interrupted and plays a vital role for both sides, especially the TMR. In the South Caucasus, on the other hand, the last permeable conflict line – between South Ossetia and Georgia – closed with the Russo-Georgian War of 2008. All sides suppress and criminalise contacts between the populations. Moreover, the border areas, especially in the Nagorno-Karabakh conflict, remain volatile spaces of violence. The affected societies have drifted ever further apart, while prejudices and stereotypes have flourished. This leads to mutually exclusive maximum positions on all sides concerning the status and future of the contested territories, which in turn undermines any progress in the peace processes.<sup>10</sup>

Elites in the de jure and de facto states alike exploit the conflicts to secure and legitimise their power. In the parent states governments claim their policies will bring about the return of the lost territories, while their opponents criticise them for not achieving exactly this. The leaderships in the de facto states (and Armenia as the patron of Nagorno-Karabakh), on the other hand, justify their power with the need to protect their populations against the former parent state's aggressive striving for reunification.

Whereas the power-securing function of the conflicts continues to apply in the de facto states, the situation in the rump states has become more complex. In Moldova the issue had been receding into the background even before 2014. Today, the prospect of reunification with the TMR raises a series of almost intractable problems for the Moldovan side, such as the expected economic costs and the effect the need to integrate a large pro-Russian population would have on the pro-European political balance in Moldovan society. Nor is reintegration of Transnistria a priority in public discourse. The current political leadership of Georgia has distanced itself from its predecessors' nationalistic ambitions and embarked on a softer path to conflict regulation. This change of course since 2012, like the normalisation of relations with Russia, certainly found approval within Georgian society, but the strategy shift remains controversial within the political elites. Even though this change of strategy – and the normalisation of relations with Russia – resonated positively with Georgian society after 2012, it remained controversial among the elite. Moreover, surveys show that it as yet lacks a stable foundation in the Georgian population. In view of growing geopolitical uncertainty and a multitude of political and economic problems within Georgia there is a danger that the conflicts over Abkhazia and South Ossetia could again give rise to nationalist mobilisations. In Armenia and Azerbaijan the tendency to instrumentalise the Nagorno-Karabakh conflict to secure authoritarian rule in Yerevan and

<sup>10</sup> Tabib Huseynov, "Transitional Intervention Strategies for Conflict Transformation in the South Caucasus", *Caucasus Survey* 2, no. 1-2 (2014): 130-41.

Baku has intensified continuously over recent years. There is no sign of that trend weakening any time soon.

Russia has not changed its fundamental position and policy in any of the pre-existing unresolved conflicts since the crisis over Ukraine. In both Transnistria and Nagorno-Karabakh Moscow adheres to the status quo. It stands by its recognition of Abkhaz and South Ossetian independence in 2008, despite South Ossetia's wish to become part of the Russian Federation. At the same time, Russia has forged even closer ties with Abkhazia through the Treaty on Alliance and Strategic Partnership of 2014 and with South Ossetia through the Treaty on Alliance and Integration of 2015. Economically too, both territories are almost completely dependent on Russia and have frequently experienced Russian pressure.

Negative trends since 2014 demonstrate once again that the conflicts analysed in this study are by no means "frozen" but, on the contrary, highly dynamic. Many developments can be attributed directly to events in Ukraine. For instance, all parties to the conflicts took positions on the crisis, thereby further deepening the rifts between them. The *de jure* states Moldova, Georgia and Azerbaijan insisted on the principle of territorial integrity and sharply condemned Russia's annexation of Crimea and the war in Donbas. The *de facto* states and Armenia supported Moscow over Crimea. In Moldova and Georgia the crisis over Ukraine has also heightened the polarisation of societies across conflict lines. This is most visible in Transnistria, whose geographical proximity to the contested Ukrainian regions and presence of Russian forces has in a sense made it part of the Russian-Ukrainian conflict.

Apart from the crisis over Ukraine, other developments have also significantly influenced the four conflicts over recent years. The growing geopolitical tensions between Russia and the West that led to the confrontation in Ukraine – and have been enormously exacerbated by it – were complicating both the local conflict constellations and the international peace processes well before 2014. Many of the dynamics described in this study must be seen in the context of these geopolitical tensions.

Finally, all the *de jure* and *de facto* states face a deepening systemic crisis. The severe economic recession in Russia, which is spreading in waves out across the entire region, exposes the immense functional deficits of the political and economic structures.<sup>11</sup> The consequences are political instability, as seen in Moldova and potentially in Georgia, or alternatively authoritarian responses as in Azerbaijan and Armenia. The *de facto* states become even more dependent on their protectors Russia and Armenia – where authoritarian tendencies are also growing.

The scope for constructive conflict policies involving the parties themselves and international actors like Germany and the European Union shrinks as those negative trends worsen. That applies to all the conflicts investigated in this study, although to different degrees.

<sup>11</sup> Alexander Libman, *Wirtschaftskrise in Russland: Risiken und Kosten für andere Länder Eurasiens*, SWP-Aktuell 10/2015 (Berlin: Stiftung Wissenschaft und Politik, February 2015).

## Recommendations for Germany and the European Union<sup>12</sup>

The first dimension of the EU's policy for the unresolved conflicts, namely, the attempt to contribute to dissolving tensions through "Europeanisation", has to date shown practically no impact in the eastern neighbourhood. This approach appeared most promising in relation to the Transnistria conflict, on account of its relative openness. The TMR has indeed profited economically from Moldova's closer relations and subsequent association with the EU. What these processes have not produced, however, is substantial progress towards a resolution of the conflict.

In the much more deeply entrenched conflicts over Abkhazia and South Ossetia the EU inadvertently made itself more or less a party to the conflict between 2004 and 2008 in the eyes of Sukhum/i and Tskhinval/i through its strong identification with Georgia. The hope that democratisation and economic reforms in Georgia could persuade the populations of Abkhazia and South Ossetia to abandon their demands for independence turned out to be an illusion. On the contrary, the gap between the conflicting parties has grown ever deeper. Abkhazia and South Ossetia refuse to participate in any way in Georgia's association process, and the EU's announcement of a policy of engagement without recognition has done nothing to lessen their rejection.

With neither Armenia nor Azerbaijan on the road to association, Brussels is forced to strongly differentiate its policy towards both. Here, the EU's credibility has been damaged by its ambivalent position on the Nagorno-Karabakh conflict and its pragmatic energy partnership with authoritarian Azerbaijan. With neither Armenia nor Azerbaijan currently seeking Europeanisation, that option currently offers the EU no means of indirect influence.

The first dimension – the Europeanisation approach – will nonetheless remain important for the EU's relationships with the states affected by the conflicts, first and foremost Moldova and Georgia. Political and economic reforms are the only means to stabilise these states from within. Democratisation also means promoting a political culture of peaceful conflict-resolution. In the medium to long term such a strategy could stifle nationalistic tensions and, thereby, reduce the risk of escalation.

In the short term attention should be directed in particular to the second dimension of EU policy: direct engagement. Here the EU's strengths and potential lie in the political, societal and economic fields rather than in the sphere of security. Alongside its policy of non-recognition of the de facto states, the EU should search more actively for ways to expand exchange with them, and should ensure greater continuity in its conflict policy in the eastern neighbourhood. To date the latter has too often been cast aside because other issues seemed more important and has been dependent on the efforts of individual figures (or absence thereof). This has

<sup>12</sup> I would like to thank Klemens Büscher and Franziska Smolnik for their contributions to the recommendations concerning Transnistria and Nagorno-Karabakh.

had a detrimental impact on the confidence of the conflicting parties. The crisis over Ukraine has also diverted attention away from the pre-existing unresolved conflicts. They should be seen, however, as an arc of interconnected conflicts whose constructive treatment could have positive domino effects.

### **Transnistria Conflict**

The expansion of the Deep and Comprehensive Free Trade Area between the EU and the Republic of Moldova to the entire territory of Moldova – including TMR – is a positive step. The pragmatism exhibited by Tiraspol over this matter underlines the importance it places on economic exchange with Moldova and the European Union. The gradual implementation of the DCFTA arrangements, agreed upon by the parties, needs to be closely monitored. Flexibility must not be allowed to lead to an unconditional extension of trade preferences, upon which certain Transnistrian representatives are already speculating. Progress can only be expected if incentives are tied to strict conditionality. The EU will need to consider withdrawing the TMR's preferential access to its market in the event of Tiraspol failing to implement the terms within the specified deadlines. Transnistria's inclusion in the DCFTA cannot serve as a model for the conflicts in the South Caucasus. But the fact that a pragmatic understanding could be reached despite the overarching conflict between the EU and Russia does provide incentives to seek compromise solutions elsewhere too.

The Association Council founded in the scope of Moldova's Association Agreement offers parallel options for an institutionalised discussion forum ("2+1"). The Transnistria conflict should be addressed as a cross-cutting issue in all matters concerning association, and representatives of TMR should be included. The establishment of a sub-committee on Transnistria (under Article 439 of the Association Agreement) should also be considered. Even if Tiraspol fails to participate constructively, the presence of the TMR representatives can encourage the Transnistrian side to operate more transparently and also develop competencies.

Measures should also be promoted to improve living conditions on both sides of the Dniester (infrastructure, environment) and to intensify communication and cooperation. For example, the provision of funding for cooperation between businesses, education and research facilities and administrative units could be made conditional on recipients jointly applying for and conducting projects. In Transnistria itself, tangible investments in the social sphere (hospitals, education facilities, retirement homes) would be suited to loosen the population's mental fixation on Russia. Finally, Russian media dominance should be counteracted by media work (radio and television, print media, brochures and books, study trips for journalists, social networks). Such measures should be tailored to the region and possibly to specific target groups, with content orientated on people's real lives.



As far as its policy towards Moldova is concerned, the European Union must, in the scope of its efforts to stabilise and democratise the country, pay special attention to crucial reforms relating to minority policy. The preparation, adoption and implementation of an inter-ethnic integration strategy is urgently needed. Such a policy could allay the minorities' fears of Romanianisation and encourage the emergence of an inclusive civic identity. It would also be of great relevance to clarify Gagauzia's autonomous status and contested legal issues between the centre and the autonomous entity. Tangible progress in these areas would have a significant confidence-building effect in the Transnistrian population.

The 5+2 process coordinated by the OSCE has to date failed to produce any movement on the status question, and little progress is to be expected in the future. Russia's blatant violation of fundamental tenets of international law and OSCE principles in Ukraine has severely damaged the negotiating mechanism based largely on those principles. The latter is also disabled by the conflict between the two mediators Russia and Ukraine. The 5+2 talks should be continued even though the format does not offer a path to a political solution. It provides a mechanism for conflict prevention (maintaining dialogue, preventing re-escalation), for regulating practical questions, for including Russia, and for supporting confidence-building measures.

Russia should be urged more energetically than hitherto to withdraw its forces from Transnistria as agreed at the 1999 OSCE summit in Istanbul, and thus make its own contribution to military de-escalation. At the same time, everything possible should be done to change the format of the so-called peacekeeping forces in the security zone, which are de facto an instrument of Russian military control. The objective must be to establish an independent, largely civilian peacekeeping mission.

In the current situation the EU should do everything it can to support both Moldova and Ukraine politically and economically. This could also involve expanding the EUBAM mandate to properly secure the Transnistrian section of the Ukrainian-Moldovan border.

### **The Conflicts over Abkhazia and South Ossetia**

The EU should continue to actively pursue association with Georgia and maintain its political, economic and security support. Over the past ten years Georgia has made discernible progress towards democratisation, but continues to suffer grave deficits in areas such as governance, transparency in political decision-making, independence of the judiciary, and minority protection. In the scope of the association policy and in advance of upcoming elections, the EU should insist on democratic standards – which could also help to counteract the widespread popular disenchantment with politics. Implementing visa-free travel to the EU with immediate effect would send a positive message to Georgian society. At the same time, the association process should not be presented as an opportunity for Ab-

khazia and South Ossetia, as such rhetoric only provokes negative reactions in the de facto states and Russia.

The Geneva International Discussions have to date produced little in the way of results. But they remain the only existing format for negotiations on the conflicts and must therefore be continued. Along the current boundaries between Georgia, Abkhazia and South Ossetia the EUMM fulfils an important function that must be maintained.

Georgian governments should be encouraged to continue the policy of dialogue with the societies and political authorities of Abkhazia and South Ossetia introduced after the 2012 elections. That would include substantial amendments to or abolition of the law on occupied territories, which currently prevents meaningful engagement in many areas. In the scope of the association process a clear message should also be sent to the Georgian population that Brussels and Tbilisi are pulling in the same direction on this matter. In the medium term, without losing sight of Russia's role, the possibility of recognising the two entities as "conflict parties" in the Geneva International Discussions should be considered. The present format fails to reflect the fact that Georgia is in fact confronted with three adversaries.

Given that EUMM cannot be expected to be able to operate on the Abkhaz and South Ossetian sides of the cease-fire lines for the foreseeable future, Germany and the European Union should in the longer term seek the restoration of a status-neutral presence of international organisations in the contested territories. The options include the OSCE and the UN, both of which can draw upon a long track record in both areas. Germany could use its OSCE Chairmanship in 2016 to work towards the establishment of a new OSCE mission in Georgia. Even if this mission were not initially able to operate in the conflict areas themselves, it would still be a step in the right direction.

A revival of the policy of engagement without recognition should be followed up with concrete steps, above all in the fields of education, health, infrastructure etc. In elementary sectors like energy Germany could supply expertise to reduce the contested territories' energy dependency on Russia. Plans such as the establishment of EU information centres in the contested territories should be reactivated and followed through. Such measures should initially focus on Abkhazia, which offers better conditions for sensitive engagement. Spill-over effects in South Ossetia are not automatic, but possible.

International NGOs and other non-state actors should increase the number of projects they run in direct cooperation with Abkhaz and South Ossetian partners, in order to strengthen local "ownership" and capacities. Problems such as human rights violations and the precarious situation of the Georgians in Gal/i should be raised regularly. Here, however, exceptional sensitivity for the complexities is required. Wherever possible measures in areas like education, health and infrastructure should be configured such that different population groups share their benefits. A too obvious focus on Gal/i could end up doing the population there more

harm than good. The answer to Georgian fears of “creeping recognition” is that in the present situation de-isolation is the only promising step towards more dialogue with the Georgian side.

Germany and the EU should invest in informal Track 2 and Track 1.5 dialogue processes where steps to improve the concrete situation can be discussed – leaving aside status questions – with societal actors and political decision-makers from both sides. In recent years obstacles to the mobility of residents of Abkhazia and South Ossetia have become an increasingly pressing problem. Here the EU member states should choose a pragmatic approach to establish such informal discussion formats.

Russia exhibits little interest in continuing the dialogue processes outside the Geneva International Discussions and discourages actors from the secessionist entities from taking part in them. The EU side should counter this with both determination and transparency at the civil society and official levels. Russian actors (experts, civil society representatives, officials) should be included wherever possible. Cooperation with Russia in the scope of the Geneva International Discussions should be continued.

### **The Nagorno-Karabakh Conflict**

The escalation of the Nagorno-Karabakh conflict in the so-called “Four-Day War” of April 2016 has underlined yet again how fragile and dangerous the situation in this conflict is. No international peacekeeping force or meaningful observer mission monitors the cease-fire line. The high degree of militarisation of the conflict parties and the hardening of hostile stereotypes on both sides undermines any kind of confidence-building. A relapse into open war would have unpredictable local, regional and potentially even broader consequences.

There is thus every reason to put this conflict on the international political agenda. The most important short-term goal must be de-escalation and stabilisation in order to prevent further and worse outbreaks of violence. The EU has to date held back on this question and left mediation on Nagorno-Karabakh to the OSCE and the Minsk Group. Its relationships with Baku and Yerevan also offer considerably fewer levers than for example in the case of Georgia. Nonetheless, Berlin and Brussels should think harder about how the work of the Minsk Group could be made more efficient, especially in connection with the German OSCE chairmanship in 2016. It would appear pertinent, for example, to strengthen the role of the European Union, increase the frequency of meetings, improve transparency and hold the Minsk Conference originally planned for 1994.

Strengthening the OSCE mandate on the cease-fire line is of central importance in this connection. Inspections, which currently have to be notified in advance, should be made more independent and the staff of OSCE Representative Andrzej Kasprzyk should be massively increased. Analogously to the Incident Prevention and Response Mechanism (IPRM), which was introduced at the Georgian-Abkhaz and Georgian-South Ossetian lines of contact as a result of the Geneva Discussions, a mechanism

should be introduced to bring the parties together regularly in the interests of preventing violence. Where incidents do occur, moreover, independent fact-finding missions should be deployed in order to counter war-mongering speculation with neutral information. The next step to consider would be the deployment of international peacekeeping forces.

Russia is of central importance for de-escalating and stabilising the situation in Nagorno-Karabakh. Only in conjunction with Moscow would the international community be in any position to force the conflict parties to increase their commitment to the peace process. But in advance of such a joint move at least two elementary standpoints would need to be communicated to Russia: firstly, that it possesses no monopoly over conflict regulation in the post-Soviet space, and secondly, that a prominent conflict mediator should not be supplying large quantities of arms to both sides (especially in a situation where an OSCE arms embargo – albeit non-binding – has been in place since 1992). The crisis over Ukraine should also give Brussels reason to make it clear in dialogue with Moscow, as one of the main mediators in the Karabakh conflict, how risky and unpredictable its concept of “controllable instability” is in the Caucasian as well as Ukrainian environment.

In the medium to long term the Union should channel greater energy into other fields of action in the Nagorno-Karabakh conflict. It could for example work for greater involvement of civil society forces, which are currently underrepresented in the peace process (Track 2). This is already practised, for instance, in the scope of the EPNK initiative (European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh), in which five European NGOs conduct dialogue with representatives of civil society on both sides of the cease-fire line. More actors from Nagorno-Karabakh in particular should be included more prominently in these projects, given that Nagorno-Karabakh itself will have to accept any resolution of the conflict. Such an approach is, however, liable to meet with vehement rejection in Baku, where any involvement of Nagorno-Karabakh is regarded as legitimisation of the status quo. Furthermore, the Azerbaijani regime has since 2014 significantly stepped up repression against civil society actors engaging in dialogue projects with Armenia, accusing them of being “Armenian agents”. If it wishes to contribute more, the European Union will have to deal with all these aspects. Expanding the European approach of engagement without recognition, as applied in Abkhazia and South Ossetia, to Nagorno-Karabakh would be a difficult but potentially productive venture. It is in particular the isolation of all the conflict parties that supplies fertile ground for mutually exclusive conflict-prolonging narratives on all sides.

The latest escalation confirms the central finding from the analysis of the Nagorno-Karabakh conflict in this study: any peace-building measure must be embedded in a holistic approach. Without lasting improvements in democratic standards on all sides, substantial progress in conflict transformation is unlikely. It is the democratic deficit on both sides that thwarts constructive plans such as returning the occupied districts or per-

mitting displaced persons to return. As outlined above, the EU's influence is limited here. This indicates a general difficulty of cooperation between Western actors on the one hand, and Russia, Azerbaijan and Armenia on the other: Just as the Western and Russian interpretations of the Euro-maidan fundamentally diverge, overt Western support for supporters of democratisation in Armenia and Azerbaijan is likely to encounter little sympathy from the governments of either country.

The conditions for a German and European contribution to the transformation or even resolution of the conflicts over Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh have worsened since 2014. This is connected with the immediate repercussions of the crisis over Ukraine and the associated geopolitical tensions between Russia and the European Union. But it is also a consequence of the proliferating crisis of the political and economic systems in all the involved states including Russia, which continues to destabilise the region. The goal of lasting peace must therefore become an integral part of EU policy towards the region, not only in Ukraine, but also in the conflicts that have persisted since the 1990s.

In view of the worsening conditions and the restricted capacities of the European Union (and Germany), pathbreaking progress towards resolution of the conflicts over Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh cannot be expected in the medium term either. Germany and its EU partners should therefore formulate their medium-term objectives realistically. In Transnistria this would be to preserve or restore the openness that characterised the conflict before the crisis over Ukraine broke out and to prevent spill-over from the tense and volatile situation in neighbouring Ukraine. With respect to the conflicts over Abkhazia and South Ossetia, this means in the first place to de-isolate the contested territories, especially Abkhazia, as well as conflict prevention if the political situation further destabilises. In the Nagorno-Karabakh conflict de-escalation and stabilisation are the short-term priorities, followed by medium-term de-isolation of the parties.

Russia plays a decisive role in all four theatres. Russian policy varies from conflict to conflict, so the possibilities for cooperation with Moscow also vary. Resolving the conflicts will certainly require a fundamental change in Russian policy – but that is not the only key.



# Appendix

## Abbreviations

APE	Asociația pentru Politică Externă din Moldova (Foreign Policy Association of Moldova)
BBC	British Broadcasting Corporation
BICC	Bonn International Center for Conversion
BTI	Bertelsmann Transformation Index
CEPS	Centre for European Policy Studies (Brussels)
CEURUS	Centre for EU-Russia Studies (Tartu)
CGI	Center on Global Interests (Washington, D.C.)
CIS	Commonwealth of Independent States
CISPKF	CIS Peace-keeping Force
CSCE	Conference on Security and Cooperation in Europe
CSIS	Center for Strategic and International Studies (Washington, D.C.)
CSTO	Collective Security Treaty Organisation
DCFTA	Deep and Comprehensive Free Trade Agreement
DNR	Doneckaja narodnaja respublika (People's Republic Donetsk)
DPM	Partidul Democrat din Moldova (Democratic Party of Moldova)
ECFR	European Council on Foreign Relations (London)
ECHR	European Court of Human Rights
ECMI	European Centre for Minority Issues (Flensburg)
EEU	Eurasian Economic Union
ENP	European Neighbourhood Policy
EPNK	European Partnership for the Peaceful Settlement of the Conflict over Nagorno-Karabakh
ERP	Economic Reconstruction Programme
EU	European Union
EUBAM	European Union Border Assistance Mission to Moldova and Ukraine
EUISS	European Union Institute for Security Studies (Paris)
EUMM	EU Monitoring Mission
FNUA	Forum for National Unity of Abkhazia
FOI	Totalförsvarets forskningsinstitut (Swedish Defence Research Agency, Stockholm)
FRIDE	Fundación para las Relaciones Internacionales y el Diálogo Exterior (Madrid)
FSB	Federalnaya sluzhba bezopasnosti (Federal Security Service)
GMF	German Marshall Fund of the United States
ICG	International Crisis Group
IDP	Internally Displaced Person
IFSH	Institut für Friedensforschung und Sicherheitspolitik an der Universität Hamburg
IIFMCG	Independent International Fact-Finding Mission on the Conflict in Georgia
IISS	International Institute for Strategic Studies (London)
IPRM	Incident Prevention and Response Mechanism
IRFS	Institute for Reporters' Freedom and Safety (Baku)
IWPR	Institute for War and Peace Reporting (London)
JCC	Joint Control Commission
JPKF	Joint Peace Keeping Force
KGB	Komitet gosudarstvennoj bezopasnosti (Committee for State Security)
MAP	Membership Action Plan
MASSR	Moldovan Autonomous Soviet Socialist Republic
MSSR	Moldovan Soviet Socialist Republic
NATO	North Atlantic Treaty Organisation
OGRT	Operational Group of Russian Forces

OSCE	Organisation for Security and Cooperation in Europe
OSW	Ośrodek Studiów Wschodnich (Centre for Eastern Studies, Warsaw)
PISM	Polski Instytut Spraw Międzynarodowych (Polish Institute of International Affairs, Warsaw)
PONARS	Program on New Approaches to Russian Security (CSIS, Washington, D.C.)
PSRM	Partidul Socialiştilor din Republica Moldova (Party of Socialists of the Republic of Moldova)
REEES	Russian East European and Eurasian Studies Centre (Graz)
SIPRI	Stockholm International Peace Research Institute
SSR	Soviet Socialist Republic
TMR	Transnistrian Moldovan Republic
UN	United Nations
UNM	United National Movement (Georgia)
UNOMIG	United Nations Observer Mission in Georgia



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