

# **‘Outsourcing’ *de facto* Statehood: Russia and the Secessionist Entities in Georgia and Moldova**

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## **INTRODUCTION**

The international community has been increasingly concerned with the secessionist conflicts that have marked the dissolution of the Soviet Union. The conflicts in the Transnistrian region of Moldova, South Ossetia and Abkhazia in Georgia, and Nagorno-Karabakh in Azerbaijan are no longer ‘internal affairs’ of the successor states of the former Soviet Union. The EU and NATO enlargement brings these organisations closer to the conflict areas and increases their interest in promoting solutions to these conflicts. In the context of the international fight against terrorism there are fears that the existence of failed states or uncontrolled areas can have repercussions far beyond their respective regions. Stabilising the Balkans will allow the EU and NATO to pay more attention to conflicts which are further away from their neighbourhood. In conjunction with these new international trends, Moldova and Georgia – two of the countries affected by conflict - have become active advocates of a greater international role in their conflict resolution processes. At the same time the lack of progress on conflict settlement for more than a decade raises uncomfortable, albeit legitimate, questions about the effectiveness of existing conflict resolution frameworks. In other words the international community is entering a phase in which it is reassessing its policies towards the secessionist conflicts in the former Soviet Union. But the challenge is not only to help solve these conflicts but also how to deal with Russia in the conflict resolution process.

Russia has been heavily involved in the conflicts. Assessments of its role in the conflicts vary, but none disputes the fact that Russia plays an important role in the conflict regions. Its policies have been multi-faceted. They include political, economic, security and humanitarian dimensions. This paper therefore attempts to map Russia’s policies towards the conflicts in Abkhazia, South Ossetia and Transnistria.<sup>1</sup>

The first part discusses Russia’s role in the conflicts during the nineties and gives some background information on the secessionist conflicts in Georgia and Moldova. The second part discusses policy trends in the Russian Federation that have inspired a new feeling of self-confidence. The third part analyses how the new Russian self-confidence is resulting in new pro-active policies towards the secessionist entities. These policies include political, economic and diplomatic support, state-building assistance, maintaining

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<sup>1</sup> The paper does not deal with the Nagorno Karabakh, a secessionist entity on the territory of Azerbaijan. The nature of the conflict, let alone the Russian role in this conflict, differs significantly from the other three cases analysed in the paper.

the status quo, making use of the ‘Kosovo precedent’ and taking over some of the institutions of the secessionist entities.

## **Russia and the conflicts**

Russia has been a player during and after the conflicts in Abkhazia, South Ossetia and Transnistria. During the 90s Russia’s policies towards the conflicts were largely supportive of the secessionist forces, even if not always unambiguously so.

The main type of Russian support was directed through conflict settlement mechanisms. Russian-led peacekeeping operations have *de facto* guarded the borders of the secessionist entities, helping to maintain a status quo that was favourable to the secessionist sides. Peacekeepers<sup>2</sup> allowed the secessionist elites to pursue state-building projects while deterring the metropolitan states from attempting to regain control of the regions.<sup>3</sup>

Russia’s role in the conflict settlement negotiations has also been questioned. Moldova’s assessment of the format of negotiations in which Russia played a key role was straightforward. Moldova’s President Voronin argued that: ‘The five-party negotiations and the existing peacekeeping mechanism proved their ineffectiveness, and are not able to lead to a long-lasting solution. The dragging of the settlement process contributes to the consolidation of the separatist regime, and the promotion of certain mafia-type geopolitical interests, which are foreign to the interests of the population on the two banks of the Dnestr river’.<sup>4</sup> Moreover, a resolution of the Georgian Parliament claims that “the Russian Federation does nothing to promote the process of conflict settlement on the territory of Georgia, in fact, the current situation is quite the contrary. A wide range of steps made by Russia currently strengthens the separatist regimes...”<sup>5</sup>

### **Box 1. The conflicts in Moldova and Georgia**

#### *South Ossetia*

The open phase of the conflict in South Ossetia (Georgia) lasted between 1990 and 1992 and claimed approximately a thousand lives. The conflict ended with a ceasefire

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<sup>2</sup> Though UN peacekeeping missions are different in nature and character from Russia’s peacekeeping operations, some of their effects have also been criticised. For example, Scott Pegg argued that: “...the specific status quo that the United Nations Peacekeeping Force in Cyprus has helped to freeze is a status quo that the Turkish Cypriot political leadership is quite comfortable with. Thus, whatever its stated objectives may be, one can in some ways view UNFICYP as a midwife present at the birth of the Turkish Cypriot *de facto* state and as a guardian that helps make its continued existence possible”, Pegg, Scott, *International Society and the De Facto State*, Ashgate, Brookfield, 1998, p. 165.

<sup>3</sup> Lynch, Dov, 2004: *Engaging Eurasia’s Separatist States*, US Institute of Peace.

<sup>4</sup> Moldovan President Vladimir Voronin, Speech addressed to the North Atlantic Council, Brussels, 7 June 2005.

<sup>5</sup> Resolution of the Parliament of Georgia Regarding the Current Situation in the Conflict Regions on the Territory of Georgia and Ongoing Peace Operations, 11 November 2005.

agreement signed on 14 July 1992. As a result of the ceasefire agreement there is a trilateral peacekeeping operation consisting of Russian, Georgian and South Ossetian troops. A Joint Control Commission (JCC) consisting of Russia, South Ossetia, North Ossetia (a Russian region) and Georgia oversee the security situation and pursue negotiations on conflict settlement. The OSCE (Organisation for Security and Co-operation in Europe) supervises the situation. The EU is an observer in JCC meetings on economic issues.

#### *Transnistria*

The conflict in Transnistria (Moldova) lasted for a few months in the spring and summer of 1992. It resulted in some 1,000 lost lives. A ceasefire agreement was signed on 21 July 1992. The war ended after the Russian 14<sup>th</sup> army intervened on behalf of Transnistria and defeated the Moldovan troops. A trilateral peacekeeping operation has been in place since the ceasefire was declared. As in South Ossetia, the peacekeeping troops consist of military forces from the two parties in conflict (Moldova and Transnistria) and Russia as the leading peacekeeper. The OSCE oversees the situation. Negotiations on conflict settlement were carried out in the so-called 'five-sided format', which consisted of Moldova and Transnistria as conflict parties and Russia, Ukraine and the OSCE as mediators. In October 2005 the format became '5+2' after the EU and US joined in as observers.

#### *Abkhazia*

The conflict in Abkhazia has been the most serious of the three as it claimed more than 10,000 lives between 1992 and 1994. The most intense phase of the conflict lasted from August 1992 to September 1993. A 'Declaration on Measures for a Political Settlement of the Georgian-Abkhazian Conflict' was signed in April 1994 in Moscow and an 'Agreement on a Cease-Fire and Separation of Forces' (Moscow Agreement) was signed in May 1994<sup>6</sup>. However, outbursts of violence and some guerrilla activity persisted in Abkhazia well after these agreements. There is a Russia-led peacekeeping operation under a mandate of the Commonwealth of Independent States (CIS) and under the supervision of the United Nations (UN Observer Mission to Georgia – UNOMIG).

However, Russia's role has not always been as unambiguously supportive of the secessionist entities as it is often assumed. Until just a few years ago, Russian policies towards the conflicts have sometimes veered between open support for the secessionists and periods of rapprochement with Georgia and Moldova.

In the mid 90s there have been moments when Russia has reduced the level of its support for Abkhazia and to a lesser extent for South Ossetia. This can be partly explained by two factors. Firstly, the secessionist challenge posed by Chechnya and the first Chechen war in 1994-1996 plus the subsequent *de facto* Chechen independence were threatening Russia's own territorial integrity. Under such conditions Russia was rather constrained in its potential support for other secessionist movements in the former Soviet Union, as it was seen as a dangerous precedent for Russia itself.

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<sup>6</sup> Agreement on a Cease-Fire and Separation of Forces, signed in Moscow, 14 May 1994, <http://www.unomig.org/>

Secondly, in 1994 Georgia joined the CIS, the CIS Collective Security Treaty and accepted Russian military bases on its territory. Georgia's implicit expectations were that in exchange Russia would support its efforts to reassert control over Abkhazia and South Ossetia. Russia's understanding of the deal differed. Russia supported Eduard Shevardnadze to assert himself as the leader of the country in the context of the civil war with the supporters of the ousted president Zviad Gamsakhurdia, but did not take a pro-active stance on the issue of Georgia's reunification. Even so, it did take part in a CIS blockade against Abkhazia (which is formally still in force but is not being enforced).

In Moldova, the rapprochement with Russia followed the arrival in power of the then pro-Russian Communist party in 2001 and lasted until 2003. Moldova's implicit expectation was that a rapprochement with Russia would give it the all important support that it needed in its efforts to resolve the conflict in Transnistria. Thus Moldova implicitly agreed to follow Moscow's political line in international relations, create favourable, even preferential treatment for Russian businesses, promote the Russian language in Moldova and generally move closer to the Russian Federation in political, social and economic terms. The main thing that Moldova wanted in exchange was the withdrawal of Russian support for the Transnistrian authorities and the ousting of Igor Smirnov, Transnistria's self-proclaimed president and a Russian citizen.

Between 2001 and 2003, it seemed that the policy line in Moscow was that a reunited and friendly Moldova was more important to Russian interests than a pro-Russian Transnistria and an unfriendly Republic of Moldova. Thus Russia moved to limit its support for Transnistria in order to promote a settlement of the conflict. According to an official, discussions on withdrawing Russian support for the Smirnov-led authorities culminated in talks between Moldova and Russia about which region to appoint Smirnov as governor in order to clear him out of the way and move towards a settlement of the conflict<sup>7</sup>. However, it seems that this withdrawal of support was only ever half-hearted and in the end everything went back to square one – strong Russian support for Transnistria and tense relations with Moldova. The turning point was the failure of the so-called 'Kozak Memorandum', a unilateral Russian plan to settle the conflict on largely Russian terms, which was rejected by Moldova in November 2003. After this, Moldovan-Russian relations have gone from bad to worse.

The chopping and changing Russian policies towards the secessionist entities in the nineties were never on a large enough scale to truly shaken the status quo that allowed the *de facto* states to carry on existing. Periodical *rapprochements* between Russia and Moldova or Georgia did not lead to the settlement of the conflicts as both sides of the deal had erroneous expectations of each other's intentions. This made the deals fail, and made relations between Russia on the one hand and Moldova and Georgia on the other considerably more complicated. With such a baggage of mutual frustrations, Russia has started to change its approach to the conflicts. This was to a large extent due to internal developments in Russia.

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<sup>7</sup> Interview with an official, Moscow, January 2006.

## Russia's new self-confidence

The Russia of 2006 has obtained a newly felt sense of its own power. This explains a number of Russian policies in the CIS. Contrary to the situation just a few years ago, Russia's agenda is not inward-looking for the first time in almost two decades. Russia wants and thinks it is ready to act assertively around all of its own borders and beyond. This new assertiveness was certainly reflected in Russian policy towards the conflicts in Abkhazia, South Ossetia and Transnistria, but these were only examples of a broader change in the thinking of Russian decision-makers.

A simple comparison suffices. In 2000, the Russian Federation stated that the top priority of its foreign policy was to "create favourable external conditions for steady development of Russia, for improving its economy".<sup>8</sup> Accordingly, Russia's foreign policy was subordinated to domestic imperatives. In 2005 the mood changed. In his 2005 annual address, President Vladimir Putin claimed that it was "certain that Russia should continue its civilizing mission on the Eurasian continent".<sup>9</sup>

Why does Russia feel strong?

One factor is the state of its economy. Russia has experienced steady growth since 1999 plus a significant inflow of cash due to high oil and gas prices. Unlike in the 1990s, Russia is not concerned with a lack of resources to pursue its foreign policy. The 2000 'foreign policy concept' bluntly stated that Russia's capacity to address the challenges it faced was "aggravated by the limited resource support for the foreign policy of the Russian Federation, making it difficult to uphold its foreign economic interests and narrowing down the framework of its information and cultural influence abroad".<sup>10</sup> A few years later, Putin claimed that "the growth of the economy, political stability and the strengthening of the state have had a beneficial effect on Russia's international position".<sup>11</sup>

A second factor is domestic politics. An authoritarian government that does not feel challenged in domestic politics is less compromising in its foreign policy.<sup>12</sup> The current elites in Russia have ensured a nearly unchallengeable dominance at the expense of democratic pluralism. There is a certain paradox in that internationally the Russian elite

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<sup>8</sup> The 'foreign policy concept' of the Russian Federation, 28 June 2000.

<sup>9</sup> Vladimir Putin, annual address to the Federal Assembly, 25 April 2005, Moscow, [www.kremlin.ru](http://www.kremlin.ru).

<sup>10</sup> 'Foreign policy concept' of the Russian Federation, 28 June 2000.

<sup>11</sup> Vladimir Putin, annual address to the Federal Assembly, 26 May 2004, Moscow, [www.kremlin.ru](http://www.kremlin.ru).

<sup>12</sup> The link between internal regime insecurity and foreign policy behaviour in non-democratic states is developed in an article about China. The article traces how most compromises made by Chinese leadership in disputes with their neighbours coincide with periods of internal instability in China such as the revolt in Tibet, the legitimacy crisis after the Tiananmen upheaval and separatist violence in Xinjiang. See Taylor Fravel, "Regime Insecurity and International Cooperation: Explaining China's Compromises in Territorial Disputes", *International Security* 30:2, 2005, pp. 46-83.

project their state as strong, dynamic and pragmatic, whereas internally they often depict the state as weak, vulnerable and alarmist. The then head of the presidential administration Dmitry Medvedev<sup>13</sup> stated in April 2005 that "if we cannot consolidate the elites, Russia will disappear as a state".<sup>14</sup> It is claimed that Russia is facing a moment of existential danger. By building the image of a Russia under siege from Islamic terrorists and Western-inspired 'orange' revolutionaries, the domestic agenda is to rally everybody around the existing authorities.

Thus, the centralisation of power and open authoritarianism is not only excused and explained but deemed necessary and legitimised. It is the only way to preserve the state and the nation. As a result of such a discourse there remains no mainstream political force in Russia that would or could challenge the dominance of the Putin administration. The political space in Russia has been shaped in a way that only radicals - extremist nationalists and Islamic terrorists - are the challengers. In this context Putin is seen as the lesser of evils. Even Mikhail Khodorkovsky, formerly Russia's richest oligarch, claims from jail that Putin is "more liberal and more democratic than 70% of the population".<sup>15</sup> Thus, as a result of such a discourse of weakness, the government has the excuses to centralise power in order to become strong – domestically and internationally.

A third factor is international politics. International events also seem to play into the hands of a newly found feeling of strength in Russia. Iraq is in a quagmire. The US is too busy running around in the Afghanistan-Iraq-Iran triangle. The EU is seen as being in the midst of a profound and paralysing crisis. In fact, many Russians consider the EU crisis to be profound but certainly not paralysing. Both the US and EU need Russia in their attempts to prevent Iran from acquiring a nuclear capability for non-peaceful use. In the CIS, the democratic governments that emerged after the 'rose and orange revolutions' in Georgia and Ukraine respectively are struggling along in the face of major difficulties. The popularity of Georgia's President Mikhail Saakashvili seems to be on the wane, the country is only making slow economic progress and political centralisation seems to be on the rise. In Ukraine, President Viktor Yushchenko is politically weak, the economy is performing poorly and political stability cannot yet be seen at the end of the tunnel. In contrast to these post-revolutionary states, the regimes in Belarus and Uzbekistan seem as strong as ever.

A fourth factor is Chechnya. The defeat of the nationalist secessionist movement in Chechnya meant that Russia is no longer fearful of supporting secessionism in other states. In the 90s, having a strong secessionist movement on its own territory, Russia was at least outwardly supportive of the territorial integrity of other states such as Georgia and Moldova, and not only them. Any precedent for successful secession resulting from

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<sup>13</sup> Dmitry Medvedev is one of President Putin's closest associates. He was appointed first deputy [prime minister](#) of the Russian government on 14 November 2005. Formerly [Vladimir Putin's](#) chief of staff, he is also on the [Gazprom](#) board of directors, a post he has held since 2000.

<sup>14</sup> Interview with Dmitry Medvedev, Expert, 4 April 2005. Downloadable at <http://www.kremlin.ru/text/publications/2005/04/86307.shtml>

<sup>15</sup> Mikhail Khodorkovsky, "Krizis Liberalizma v Rossii", 29 March 2004, Vedomosti, downloadable at <http://khodorkovsky.ru/speech/82.html>

violent conflict was seen as questioning the future of Chechnya in Russia. Thus, for most of the 90s Russia has been hesitating between the tendency to support the secessionist entities in Moldova and Georgia and the fears of spillover effects for Russia itself. All this has changed.

The second Chechen war that started in 1999 led to the defeat of the secessionist movement in Chechnya. Certainly, the Chechen guerrillas still pose a serious security challenge to the internal stability of the Russian Federation but they are not a credible secessionist force. President Putin is right in saying that “there are other regions in the northern Caucasus where the situation is even more worrying than it is in Chechnya”.<sup>16</sup> The war in Chechnya is not a war for or against the independence of Chechnya. In fact it is not a Chechen conflict anymore, but a north Caucasus conflict with large religious, social and security implications. Russia defeated the nationalist secessionist movement in Chechnya, but ended up with a geographically larger and potentially more destructive security challenge. Whatever the instability in the north Caucasus, Russia feels that the Chechen factor is no longer a constraint on its policies towards the secessionist entities in Georgia and Moldova.<sup>17</sup>

Thus, in Russia’s assessment it is the right international and domestic context to start acting. If before 2004 Russia was defensive, by 2006 it had started to be on the offensive. A 2000 assessment of the situation argued that, in the CIS, Russia’s objective is “to maintain, rather than enlarge the Russian presence in the region. Moscow tries to save what it still has, rather than extend its political and military forward bases in its southern neighbourhood”.<sup>18</sup> This is not the case anymore. In 2006, Dmitry Trenin from the Carnegie Moscow Centre think tank argues that Russian leadership “came to the conclusion that the withdrawal has ended, and it is time to counter-attack... it is time to re-establish a great power and that the CIS is the space where Russian economic, political, and informational dominance should be established”.<sup>19</sup>

The 'new thinking' of the Russian Federation, was put forward as an article for the Wall Street Journal by Sergei Ivanov, the Deputy Prime Minister and Minister of Defence. He claimed that Russia's two main challenges are "interference in Russia's internal affairs by foreign states, either directly or through structures that they support... [and] violent assault on the constitutional order of some post-Soviet states".<sup>20</sup> No distinction is made between non-governmental organisations (NGOs) and networks used to finance terrorist activities in Russia and the Western-funded democracy-promoting NGOs. Both are seen

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<sup>16</sup> Vladimir Putin, transcript of the press conference for the Russian and foreign media, 31 January 2006, the Kremlin, Moscow.

<sup>17</sup> Interview with an expert, Moscow, 12 January 2006.

<sup>18</sup> Alexei Malashenko, “Post-sovetskie gosudarstva iuga i interesy Moskvyy” (“Post-Soviet States of the South and Moscow’s Interests”), *Pro et Contra Vol 5:3*, 2000, Moscow, pag. 43.

<sup>19</sup> Author’s interview with Dmitry Trenin, Moscow, 13 January 2006. For the same argument see Interview with Dmitry Trenin, Strana.ru, 26 January 2006, <http://www.strana.ru/stories/02/05/20/2976/271554.html>

<sup>20</sup> “The New Russian Doctrine”, Sergei Ivanov, The Wall Street Journal, 11 January 2006.



as foreign organisations seeking to destabilise the internal situation in Russia and its allies.

Putin said in the aftermath of the Beslan siege that “the weak get beaten up”.<sup>21</sup> International affairs are a fight, and in this fight Russia has to re-establish its regional dominance. This is the new prism through which Russia sees its international relations. Thus, the new Russian agenda is not to maintain current levels of influence in the CIS but to re-establish Russian dominance in most of the CIS. Russia’s foreign policy objectives are not defensive for the first time in more than two decades. Russian policies on Abkhazia, South Ossetia and Transnistria are both indicators of a new trend and a means to put into practice a new foreign policy agenda. Quite logically, Russia’s new self-confidence has developed into a new set of pro-active policies, which was clearly demonstrated by its policies towards the secessionist entities in Georgia and Moldova.

### **Russia’s pro-active policies towards the secessionist entities**

Russia’s policies towards secessionist entities are marked by an official recognition of the territorial integrity of Moldova and Georgia but in practical terms by open support for many of the demands of the secessionist entities. The ambiguity of Russian policies creates important incentives for entities to persist in their quest to secede. This quest is supported through a number of policies.

#### **Political support**

Russia gives high level political attention to the secessionist authorities and has often acted as a bridge between the three self-proclaimed republics, which created a community of their own, informally called ‘SNG-2’, or even ‘NATO-2’.<sup>22</sup> While the level of institutionalisation of SNG-2 should not be overestimated, it has summits, ministerial meetings and cooperation networks. In fact most of these summits take place in Moscow and the leaders of the secessionist entities are received by high-level Russian officials.<sup>23</sup> Since early 2006 the Russian Foreign Ministry also started to refer to the leaders of the unrecognised secessionist entities as “presidents”, implying a degree of recognition of the secessionist entities.<sup>24</sup>

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<sup>21</sup> Obrashchenie Prezidenta Rossii Vladimira Putina (Statement by President Putin), Rossiiskaya Gazeta, 6 September 2004, <http://www.rg.ru/2004/09/06/president.html>

<sup>22</sup> The Russian for Commonwealth of Independent States (CIS), is Sodruzhestvo Nezavisimyh Gosudartsv, or SNG. But SNG-2 stands for Sodruzhestvo Nepriznanyh Gosudartsv (Community of Unrecognised States). Sometimes the SNG-2 is translated into English as CIS-2, but it does not reflect the play of words between SNG and SNG-2. In addition to Abkhazia, South Ossetia and Transnistria, SNG-2 includes also Nagorno-Karabakh. The second informal name for the group of secessionist entities is NATO-2, which is an acronym for Nagorno-Karabakh, Abkhazia, Transnistria, Ossetia.

<sup>23</sup> See Vladimir Socor, “Bagapsh, Kokoity, Smirnov touch base in Moscow”, Eurasia Daily Monitor, 28 January 2005. [www.jamestown.org](http://www.jamestown.org)

<sup>24</sup> See for example the Russian Foreign Ministry’s “Information and Press Department Commentary Regarding Abkhazian President Sergey Bagapsh’s Message to the President of the United Nations Security Council”, 23 January 2006; Press release of the Russian



Other examples of high level political support include President Putin meeting the leader of Abkhazia Sergei Bagapsh and South Ossetia Eduard Kokoity and even apparently trying to set up a meeting for them with EU High Representative for Common Foreign and Security Policy Javier Solana<sup>25</sup> in Sochi in April 2005. Similarly, high level support was offered to a presidential candidate in Abkhazia's 2004 elections when the (defeated) candidate Raul Khajimba was campaigning with posters depicting him and President Putin shaking hands<sup>26</sup>.

### 'Passportisation'

A visible example of Russian support is where Russia has granted citizenship to the residents of the unrecognised entities. Some 90% of the residents of South Ossetia and Abkhazia are said to have Russian passports.<sup>27</sup> The number is considerably smaller in Transnistria, where some 15% of the population hold Russian passports. The policy of 'passportisation' is a state policy. In the passports themselves it is clearly stated that they are issued by the Russian Foreign Ministry.<sup>28</sup> Its main objective is to secure a legitimate right for Russia to claim to represent the interests of the secessionist entities because they consist of Russian citizens. Thus Russia is creating a political and even legal basis for intervention for the sake of protecting its own 'citizens' in the secessionist entities. The Russian Foreign Minister Sergei Lavrov bluntly stated in relation to Abkhazia and South Ossetia that "we will defend our citizens with all the means at our disposal. I don't recommend anybody to threaten the life and dignity of our citizens."<sup>29</sup>

### Conflict settlement mechanisms

Russia plays a key role in the conflict resolution negotiation process. Russia often acts not so much as a mediator equally distant from the positions of both sides but as an actor in negotiations with its own interests.

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MFA on "Minister of Foreign Affairs of the Russian Federation Sergey Lavrov Meets with South Ossetian President Eduard Kokoity", 2 February 2002; and Russia's MFA press release "Russian Minister of Foreign Affairs Sergey Lavrov Meets with Transnistrian President Igor Smirnov", 5 May 2005; [www.mid.ru](http://www.mid.ru)

<sup>25</sup> Vladimir Socor, "EU Policy disarray in Georgia and Moldova", Eurasia Daily Monitor, 15 April 2005.

<sup>26</sup> For the Russian role in the Abkhaz 2004 elections see "Putin Meddles in Abkhazia Presidential Race", Civil Georgia, 31 August 2004, <http://www.civil.ge/eng/article.php?id=7721>

<sup>27</sup> In fact Georgia itself has been partly responsible for the situation, as it refused the granting of UN passports to the residents of Abkhazia in the 90s, which resulted in the mass acquisition by Abkhazians of Russian passports as a means to travel. Had Georgia accepted the granting of UN passports to Abkhaz, they would not have needed to get Russian passports to travel.

<sup>28</sup> The information about the issuing authority on Russian passports in Abkhazia clearly state that they are issued by "MID Rossii", that is the Foreign Ministry of Russia. Author's observation in Sukhum(i), Abkhazia, March 2006.

<sup>29</sup> See interview with Russian Foreign Minister Sergei Lavrov, Echo Moskv, 20 July 2006, <http://echo.msk.ru/programs/exit/44947/>.

Russia is not opposed to conflict resolution. It is rather interested in a settlement that first and foremost serves Russian interests by respecting a number of conditions. A first condition is that the secessionist entities need to have decisive influence over the affairs of the reunified states, even if it means a possible future power-sharing arrangement may not work in practice. Second, Russia has to act as the main power-broker in any possible power-sharing arrangement. This would be possible because Russia would remain the main external ‘guarantor’ of the settlement, but also because of the potentially low viability of the reunified states, which will have to rely on external power brokers. The Russian guarantees also include a military presence.

Interestingly enough, the main Russian-brokered agreement that came closest to solving a conflict – the ‘Kozak Memorandum’ for Transnistria<sup>30</sup> met these three conditions: (1) high level of influence for the secessionist entity to the point of creating a dysfunctional state, (2) Russia as the main power broker and (3) Russian military presence.

When Moldova implicitly accepted these three conditions, progress towards a new agreement to settle the conflict accelerated. However, in the end Moldova backed down because of doubts about the viability of the arrangement, which was clearly highlighted by the negative international reactions to the memorandum, including from the US, the EU and the OSCE. Similarly, Russian proposals to Georgia and Moldova to create ‘common states’ in the late 90s also reflected a level of decentralisation that was not very likely to work in practice<sup>31</sup>.

### Diplomatic support

Russia often supports the secessionist entities on the international arena. One example is that three annual OSCE Ministerial Councils in 2003, 2004 and 2005 failed to adopt common statements because of disagreements between an overwhelming number of OSCE member states on the one hand and Russia on the other. These disagreements were precisely related to the conflicts in Georgia and Moldova and the withdrawal of Russian troops from these countries.

The issue of unresolved conflicts is more and more prominent on the EU-Russia agenda, including in the road map for the ‘common space of cooperation in the field of external security’ where conflicts in the ‘adjacent’ regions are considered one of the priority areas.

### ‘Outsourcing’ of institutions

Russia has also been crucial in providing support for state and institution building in the secessionist regions. In fact some of the security institutions of the *de facto* states are

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<sup>30</sup> See text of the “Russian Draft Memorandum on the basic principles of the state structure of a united state in Moldova” (Kozak Memorandum), 17 November 2003, [http://eurojournal.org/more.php?id=107\\_0\\_1\\_18\\_M5](http://eurojournal.org/more.php?id=107_0_1_18_M5)

<sup>31</sup> It would be fair to say that it is not only the Russian Federation that supports this type of agreements. The EU supported a Serbia-Montenegro confederation with a level of decentralisation that made the common state barely functional.

‘outsourced’ to the Russian Federation. ‘Outsourcing’ is used in business jargon to describe a situation when the organisational functions of an enterprise are transferred to a third party or country.<sup>32</sup> A somehow similar phenomenon is occurring with the ‘state’ institutions of the secessionist entities. They are ‘outsourced’ to Russian state institutions. However, if ‘outsourcing’ in businesses presupposes that the ‘outsourcer’ keeps overall control of the organisational and production functions of the enterprise, this is not always the case in the secessionist entities. While they initially ‘outsourced’ such functions as defence and intelligence institutions to the Russian Federation, they have to a large extent ceased to control them.

The local ‘security’ institutions in Abkhazia, South Ossetia and Transnistria are often headed by Russians or officials who are *de facto* delegated by state institutions of the Russian Federation. This most often includes staff in the local intelligence services and the defence ministries. Examples of Russians *de facto* delegated to the secessionist entities include defence ministers Anatoli Barankevich (South Ossetia) and Sultan Sosnaliev (Abkhazia), local intelligence chief Iarovoi (South Ossetia) and Interior Minister Mindzaev (South Ossetia).<sup>33</sup> But Russian presence is also visible beyond the security services. An Abkhazia Prime Minister in 2004/2005 Nodar Khashba came from the Russian ministry of emergency situations. The incumbent Prime Minister Morozov in South Ossetia is also from Russia. The ‘outsourcing’ of the institutions of the secessionist entities to Russia is at its most prevalent in South Ossetia, somehow less so in Abkhazia, and relatively little (beyond the security services) in Transnistria. Such arrangements are not necessarily welcome in the secessionist entities themselves, especially in Abkhazia and Transnistria, but are, according to officials, desired mainly by Russia.<sup>34</sup>

### Economic support

Russia plays a key role in the economic sustainability of the secessionist entities. In fact one can credibly make the argument that the ‘independence’ of South Ossetia and Abkhazia depends heavily on Russia.<sup>35</sup> Russia is certainly the most important trading partner of the secessionist entities of Abkhazia and South Ossetia. Georgian officials claimed that while some of the Georgian exports were banned from entering Russia on phytosanitary grounds, similar goods from Abkhazia and South Ossetia continued to be accepted, which indicated the political nature of manipulation of trade issues in the region.<sup>36</sup>

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<sup>32</sup> See Wikipedia on ‘outsourcing’ or ‘contracting out’ <http://en.wikipedia.org/wiki/Outsourcing> . The Economist defines ‘outsourcing’ as the process when companies hand work they used to perform in-house to outside firms, see The Economist, Survey of Outsourcing, 11 November 2004.

<sup>33</sup> Interviews with Georgian officials, Tbilisi, March 2006.

<sup>34</sup> Interviews with experts and officials in Sukhum(i) and Tbilisi, March 2006 and Tiraspol, December 2005.

<sup>35</sup> Dov Lynch, *Why Georgia Matters*, Chaillot Paper 86, EU ISS, Paris, p. 36, [www.iss-eu.org](http://www.iss-eu.org) .

<sup>36</sup> Interviews with Georgian diplomats, Moscow, January 2006; Tbilisi, March 2006.

For years, Transnistrian industry has been benefiting from Russian subsidies. Transnistria's debt to Gazprom amounts to one billion euro, which means that for years Transnistria has not paid for its gas consumption.<sup>37</sup> In fact the competitive advantage of Transnistrian industry is very much based on these kinds of subsidies.

The social dimension of Russian support is also considerable in Abkhazia and South Ossetia. The Russian government not only granted citizenships to an overwhelming majority of residents of South Ossetia and Abkhazia, but also pays pensions there.<sup>38</sup> These pensions are higher than Georgia's, which creates additional incentives for these regions to join the Russian Federation rather than seek a settlement of the conflict. The paying of pensions and granting of citizenship is explained by humanitarian concerns that the Russian Federation has about the residents of these regions.<sup>39</sup>

Russia is also the main investor in the secessionist regions. Some investments in Transnistrian industry and the Abkhaz tourist infrastructure are justified on economic grounds. However, it is clear that the conflict regions are far from being attractive for investments and many such investments are driven by political imperatives and not economic logic. At least some, if not most, of Russian investments take place not because they make sense economically but because Russian authorities put forward Russian businessmen to take part in such investments as a sign of support for the secessionist entities.<sup>40</sup> In a state where businesses are closely intertwined with the state, as is the case in Russia, such practices are not difficult to implement.

Economic support for the secessionist entities is coupled with economic pressure on Moldova and Georgia. In 2005, Russia introduced restrictions on meat and vegetable exports from Moldova and Georgia to Russia. In March 2006 Russia banned all Moldovan and Georgian wine and brandy exports to Russia, as well as Georgian mineral water. At the same time Russia increased gas prices for Moldova and Georgia. Such restrictions did not affect the secessionist entities. The explanation was simple. In the words of the Russian ambassador to Moldova, "one thing is a Russian compatriot in Moldova or Kirghizia, and another thing is a compatriot in Transnistria or Abkhazia".<sup>41</sup> The latter are certainly closer than the former.

The 'status quo game'

Russia's preferred policy is to preserve the status quo. The status quo gives Russia enough room for manoeuvre to safeguard its interests in the conflict areas. Thus Russia is

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<sup>37</sup> Centre for Strategic Studies and Reforms, *Research Paper on Transnistria* (Chisinau: November 2003), p. 28; available at: <http://www.cisr-md.org/pdf/0311%20transn-research.pdf>

<sup>38</sup> For example in Abkhazia, Russia pays some 30,000 pensions. The minimum pension is approximately 30 euro. Interview with a de facto deputy-prime minister of Abkhazia, Sukhum(i), March 2006.

<sup>39</sup> Interview with a Russian expert, Paris, May 2005.

<sup>40</sup> Interviews with experts and officials in Sukhum(i), Abkhazia, March 2006.

<sup>41</sup> See "We arrived to see who wants to be with us" (My priehali ubedista kto hochet byt vmeste s nami), Olvia Press, 6 October 2005, <http://olvia.idknet.com/ol46-10-05.htm>

set to prevent the modification of the conflict resolution mechanisms and Western involvement in conflict resolution. Its main argument is that the conflicts should stay “frozen” and that any attempt to “thaw” them is dangerous and counterproductive. However the conflicts are not frozen at all.<sup>42</sup> It is their settlement that is frozen. The preservation of the status quo means the entrenchment and deepening of the conflicts. Thus the ‘status quo game’ means moving away from a solution while fuelling tensions, which could escalate at any moment.

### The ‘Kosovo Precedent’

In the context of discussing the Kosovo issue, Russia came closest [and at the highest level] in accepting that Kosovo does constitute a precedent worth considering in Georgia. President Putin stated in 2006 that “if someone thinks that Kosovo can be granted full independence as a state, then why should the Abkhaz or the South-Ossetian peoples not also have the right to statehood? I am not talking here about how Russia would act. But we know, for example, that Turkey recognised the Republic of Northern Cyprus. I am not saying that Russia would immediately recognise Abkhazia or South Ossetia as independent states, but international life knows such precedents ... we need generally accepted, universal principles for resolving these problems”.<sup>43</sup> Russia has been moving towards acceptance of Kosovo’s independence while trying to extract the maximum from the Kosovo precedent in the post-Soviet space.

The Kosovo precedent has certainly infused new trends into the politics of the *de facto* states. Kosovo’s possible move towards independence, albeit “conditional”, creates a new *raison d’être* for the secessionist entities to resist any conflict settlement in the hope that sooner or later they will follow Kosovo.<sup>44</sup> For example, the Abkhaz *de facto* president openly states that “if Kosovo is recognised, Abkhazia will be recognised in the course of three days. I am absolutely sure of that”.<sup>45</sup>

### *De facto* annexation

The overall result of the above-mentioned policies is that the secessionist entities of South Ossetia and Abkhazia are moving towards being incorporated into the Russian Federation *de facto*. In fact the secessionist entities ‘outsource’ not only some of their institutions but the control of their entities to the Russian Federation. Most of the population in these regions have Russian passports, pensioners receive pensions from the Russian state, the Russian rouble is the local currency, many of the *de facto* officials of the secessionist entities are sent ‘on missions’ by the Russian Federation. In addition, there is a process of legislative harmonisation between the legal systems of the Russian

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<sup>42</sup> See Dov Lynch, 2004, op. cit.

<sup>43</sup> President Vladimir Putin, transcript of the Press Conference for the Russian and foreign media, 31 January 2006, The Kremlin, Moscow.

<sup>44</sup> Interviews with officials and experts in Tiraspol, Transnistria (December 2005) and Sukhum(i), Abkhazia, (March 2006).

<sup>45</sup> Interview with Sergei Bagapsh, *de facto* president of Abkhazia, *Svobodnaya Gruzia*, 28 February 2006, published originally in *Vremya Novostei*.

Federation and those of the secessionist entities. And even in Transnistria, which currently has its own currency, Russia has raised the issue of Transnistria eventually adopting the Russian rouble as the local currency.<sup>46</sup>

Reflecting these developments, Moscow's policies towards these secessionist regions look very much like Moscow's policy towards other Russian regions. This was very visible during the heavy and high-level intervention of Russia in the Abkhaz presidential elections in 2004. In an interview, an expert in Moscow said that "Abkhazia is a *de facto* continuation of the Krasnodar region" of Russia<sup>47</sup>. The fact that Russia takes over the 'power' structures in the secessionist entities also looks very much like Russian regional politics. In the Russian Federation, the control of the 'power structures' – Ministry of Defence, intelligence, prosecutor's office and police – are a competence of the federal centre, ie Moscow. Russian regions do not control the security institutions at regional level, even if they have some degree of self-governance in political and economic matters. The situation in Abkhazia and South Ossetia is not far from that.

The secessionist entities are not simply a continuation of Russia. Abkhazia stresses that it wants to be an independent state<sup>48</sup>, not a Russian region. They also stress that in the 2004 Abkhaz presidential elections the Moscow-backed candidate lost the elections. Transnistria does not have a border with Russia and it would be difficult to see how a second 'Kaliningrad' in Transnistria would work in practice. Moreover, the interests of the secessionist entities, their domestic policy patterns and strategic goals might differ from Russia's preferences. However, their rapprochement with Russia is not far from a point of no return, mainly so in Abkhazia and South Ossetia.

## Conclusion

Russia plays a dominant role in the survival and evolution of the secessionist entities in Georgia and Moldova. There have been periods when Russia was rather supportive of the governments of Moldova and Georgia. However, for the last few years Russian policies towards the secessionist entities have become more assertive. This was due to a new feeling of self-confidence among Russian elites.

This new self-confidence has been inspired by a number of factors, such as economic growth in Russia, consolidation of Putin's 'power vertical', the defeat of the Chechen secessionist movement and the West's problems in Afghanistan, Iraq and Iran. These have all led to a feeling in Moscow that Russia has the resources and the proper international conditions to reassert its dominance in the former Soviet Union. Stepping up support for the secessionist entities is seen as a way to achieve that.

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<sup>46</sup> See "Igor Smirnov does not exclude that Transnistria might join the Russian currency zone", Olvia Press, 31 May 2006, <http://www.olvia.idknet.com/ol165-05-06.htm>

<sup>47</sup> Interview, Moscow, 13 January 2006.

<sup>48</sup> Author's interview with Sergei Bagapsh, de facto president of Abkhazia, Sukhum(i), 21 March 2006.

The policies of Russian support for the secessionist entities of the former Soviet Union are a complex web of political, economic, social, humanitarian, security and military actions. These policies include keeping military forces on the ground – not only peacekeepers but also military bases, training of military forces, providing economic subsidies, granting Russian citizenship and passports (the so-called policy of ‘passportisation’), paying pensions, granting preferential trade regimes, ensuring diplomatic and political support on the international stage, interfering in the domestic politics of the unrecognised entities, using conflict settlement mechanisms to freeze the conflict resolution processes, delegating Russian state employees to serve in key posts in the unrecognised governments of the secessionist entities etc. These policies of support are combined with economic and political pressure on the governments of Moldova and Georgia.

An overall assessment of Russia’s policies towards the secessionist entities is that in many instances they create serious disincentives for any conflict settlement. The policy of strengthening the secessionist regimes and weakening legitimate states creates serious obstacles to conflict resolution. Under such conditions it is not only possible but is even attractive for the secessionist entities to keep the conflicts unresolved.

However, with the conflicts kept unresolved and an increasingly assertive Russian foreign policy, the secessionist entities are becoming more and more *de facto* parts of the Russian Federation. Moscow’s policy towards these regions in many instances resembles policies towards subjects of the Russian Federation. Thus the paradox is that, in their fight for independence, the secessionist entities are quickly ‘outsourcing’ this independence to another state.