



**Center for Science and International Affairs  
Occasional Paper  
February 1998**

**No Peace, No War in the Caucasus: Secessionist Conflicts in Chechnya, Abkhazia  
and Nagorno-Karabakh**

By Edward Walker

The attached monograph by Dr. Edward Walker was commissioned by the Strengthening Democratic Institutions Project as part of its 1996-1997 seminar series on the "Caucasus and the Caspian" at the Kennedy School of Government's Belfer Center for Science and International Affairs.

The series was convened as a follow-up to the Project's 1995 report on conflict in the North Caucasus region: *Russia's Tinderbox: Conflict in the North Caucasus and its Implications for the Future of the Russian Federation*. The purpose of the seminars is to explore broader strategic issues in the Caucasus and the Caspian basin, including: oil and pipeline politics in the Caspian; the war in Chechnya; the ongoing conflicts in Georgia, Nagorno-Karabakh, and North Ossetia-Ingushetia; the role of the Russian military; Russia's relations with Turkey, Iran and other regional powers; and increasing US engagement in the region.

This monograph offers a current analysis of the three most important secessionist conflicts in the Caucasus: Chechnya, Abkhazia and Nagorno-Karabakh. In Chechnya, after the outbreak of war in 1994, the ferocious resistance of the Chechens, the collapse of the Russian military, and a popular backlash in Moscow against the war resulted in a tentative peace treaty in August 1996. Since then, neither Russia nor Chechnya has been able to find a creative middle ground that can reconcile the Chechen desire for independence with Russian fears of a "domino effect" and the rupture of the territorial integrity of the Russian Federation. In Nagorno-Karabakh, a cease-fire has held since May 1994. Both Armenia and Azerbaijan have gradually been moved toward a compromise solution by the OSCE, but the Karabakh Armenians are holding out for the ultimate ruling of the political status of the territory. In February 1998, just after Dr. Walker completed his paper, domestic disagreement in Armenia over prospect of a compromise solution for Nagorno-Karabakh resulted in the resignation of President Levon Ter-Petrosian. In Georgia, civil war and military collapse forced Tbilisi to end its assault on Abkhazia in 1993, but neither Moscow nor a United Nations mission has since been able to bring the two sides together. In their state of "no peace, no war," the three conflicts continue to pose the most serious obstacle to the long-term stability and development of the Caucasus region.

Dr. Edward Walker is the Executive Director of the Program in Soviet and Post-Soviet Studies at UC Berkeley and one of the leading US scholars on the Caucasus. He is currently on leave as a National Fellow at the Hoover Institution, Stanford University, where he is writing a book on secessionist movements and autonomy arrangements in the former Soviet Union, with case studies on Chechnya, Nagorno-Karabakh, Tatarstan, Abkhazia, Crimea and Transdnier. In addition to the Caucasus, his previous research has focused on constitutionalism, federalism, and center-periphery relations in Russia. Dr. Walker received his Ph.D. in Political Science from Columbia University in 1993, and has a Masters from the School for Advanced International Studies at Johns Hopkins and a B.A. from Harvard.

Harvard's Strengthening Democratic Institution's Project (SDI) works to catalyze and provide support for three historic transformations taking place in Russia and the other republics of the former Soviet Union: to sustainable democracies, free market economies and cooperative international relations. The Project is a private, non-profit research initiative funded by Carnegie Corporation of New York. Views expressed by individuals associated with the Project represent their own professional judgments and are not offered on behalf of any governments or other institutions. SDI publications can be ordered from Elena Kostriysyna at [elena\\_kostriysyna@harvard.edu](mailto:elena_kostriysyna@harvard.edu) or fax: (617) 496-8779. Two of the maps in this report were used with the permission of Human Rights Watch, at 350 Fifth Ave., New York, NY 10115.

Fiona Hill  
Associate Director  
February 1998

## **Introduction**

The author is grateful to the Hoover Institution on War, Revolution and Peace for providing him with the opportunity to conduct research for this paper as a National Fellow in 1997-1998. He would also like to thank the Ford Foundation for funding the Berkeley Program on the Caucasus and Caspian littoral, which made possible research trips to the region in 1996 and 1997.

After the implosion of the Soviet Union in December 1991, the USSR's fifteen union republics quickly won international recognition as independent states. Seats at the UN's General Assembly, however, did not mean that sovereignty for the successor states was uncontested. Along with various border disputes between and within the new states, Azerbaijan, Moldova, Georgia, and Russia found themselves confronting armed challenges from secessionists demanding independence for Nagorno-Karabakh, Transdniester, South Ossetia, Abkhazia, and Chechnya. I use the term "secession" to denote separation from an existing internationally-recognized state either with the intent of establishing a new internationally-recognized state or joining a different one, and I intend no pejorative connotation in using the term. Similarly, I will use the terms "national government" or "national state" to refer to the internationally recognized state that is asserting its sovereignty over the disputed region without implying that it is a "nation state" or otherwise ethnically homogeneous. I should also note that the names of the secessionist entities in the three cases under review here are controversial. The Chechen government calls Chechnya "The Chechen Republic of Ichkeria" and may reconstitute itself as "The Islamic Republic of Chechnya," Karabakh calls itself "The Republic of Nagorno Karabakh" and is often referred to by Armenian nationalists as "Artsakh," while Abkhazia's self-designation is "The Republic of Abkhazia." I will refer to them simply as Chechnya, Abkhazia, and Karabakh. Finally, given their self-designation as "republics," I will refer to them as "republics" without implying anything about their actual form of government and despite the fact that Karabakh was an "autonomous oblast," not an "autonomous republic," in the Soviet period.

Strikingly, the outcomes of these five conflicts, at least for the moment, have been similar. Without exception, secessionists have triumphed on the battlefield and control their respective territories (and, in the case of Karabakh, a considerable piece of Azerbaijani territory beyond the borders of Karabakh as well). Despite their military success, however, the secessionists have failed to win international recognition—indeed, not one secessionist movement has been recognized by a single state, no matter how sympathetic. Even Armenia, which has been supporting the Karabakh secessionists both politically and materially, has been careful not to incur the wrath of the international community by formally recognizing Karabakh independence. Notably, during a recent visit to Yerevan, the speaker of the Lebanese parliament, Nabih Berri, announced that Lebanon would recognize Karabakh if the Karabakh electorate voted in a referendum for independence under UN sponsorship (*RFE/RL Newswire*, 16 September 1997). In practice, however, the United Nations would never agree to sponsor such a referendum unless all parties agreed, including Baku, which is extremely unlikely. As a result, his statement was probably meant to signal a desire for improved political ties with Armenia and not Lebanese willingness to be the first state to take the dramatic step of unilateral recognition.

There are other similarities as well. In all five cases, cease-fires have ended most of the violence but settlements on legal status remain elusive. Instead, national governments continue to insist on their territorial integrity, while secessionists assert their right to national self-determination. Nevertheless, it has become increasingly clear that the international community will deny diplomatic recognition as long as national governments refuse to accept the demands of the separatists. Foreign governments and international organizations (IOs) may condemn the use of excessive force and the violation of human rights by national governments; they may try to promote dialogue and compromise; and individual states or IOs may agree to help monitor or enforce cease-fires or peace settlements. But, fearful of promoting secessionist wars around the globe, the international community will not accept the unilateral secession of a territory from an existing state with recognized external borders. Having won on the battlefield but not at the negotiating table, the secessionists therefore find themselves in a state of "no peace, no war."

This is not to say that the likelihood that “no peace, no war” will persist is equal between cases. On the contrary, the risks of both renewed fighting and opportunities for a political settlement vary considerably. What follows is an assessment of those risks and opportunities in three of the five cases—Chechnya, Abkhazia, and Karabakh. I argue that the stand-off between Russia and Chechnya is very likely to endure because Moscow has no interest in renewed fighting but legal and political obstacles to an agreement on status are great. In contrast, “no peace, no war” in Abkhazia is quite unstable—while there is a substantial risk of renewed fighting, there is also an opportunity for a political agreement in the foreseeable future. Finally, I argue that the parties to the conflict in Karabakh are unlikely to reach agreement on status in the foreseeable future. On the other hand, there is still a possibility that a “first-stage” agreement over Karabakh can be reached, although deepening rift between the Karabakh and Armenian governments, as well as growing political turmoil within the Armenia government, makes a first-stage agreement this year unlikely. If no such agreement is reached, the risks of renewed fighting will be significant and likely to increase over time, particularly after Azerbaijan’s presidential elections this fall.

### ***Obstacles to War and Peace in Chechnya***

The cease-fire currently in effect in Chechnya dates from an August 1996 agreement signed by then Russian Security Council Secretary Aleksandr Lebed and Chechen Chief of Staff (now President) Aslan Maskhadov. With presidential elections approaching in the summer of 1996, Yeltsin apparently concluded early that spring that he needed to convince the Russian electorate that an end to the war in Chechnya was in sight. On 31 March 1996, he issued an order to the Russian military to cease offensive military operations, and on 27 May 1996 acting Chechen President Zelikhan Yandarbiev and Russian Prime Minister Viktor Chernomyrdin signed a cease-fire agreement that provided for an exchange of prisoners and a Russian troop withdrawal.

While the cease-fire doubtless contributed to Yeltsin’s victory in the second round of Russia’s presidential elections that July, it broke down immediately thereafter. The Chechens quickly took the offensive and launched a daring and shockingly successful attack on Grozny on 6 August 1996. The humiliating defeat induced Yeltsin to appoint Lebed, who had come in a close third in the first round of the presidential elections and had then agreed to support Yeltsin in exchange for a position in the Administration, as his special envoy to Chechnya. Lebed took on his new charge with characteristic gusto and after visiting Grozny announced that Russia was no longer in a position to win the war by military means and that a withdrawal of Russian troops and negotiations with Chechen resistance leaders were therefore unavoidable.

Despite opposition from Russian military commanders and the hard-line Interior Minister, Anatolii Kulikov, Lebed arranged for a series of meetings with Maskhadov, the outcome of which was a cease-fire agreement of 31 August 1996 signed in the Dagestani village of Khasavyurt. The text of this so-called “Khasavyurt agreement” included the following important provision:

An agreement (*soglashenie*) on the basics of mutual relations (*vzaimootnosheniia*) between the Russian Federation and the Chechen Republic, defined in accordance with universally recognized principles and norms of international law, must be reached by 31 December 2001. “Rossiisko-Chechenskii Dogovor o prekrashenii voennykh deistvii,” reproduced in *The Search for Peace in Chechnya: A Sourcebook 1994-1996*, produced by Diane Curran, Fiona Hill, and Elena Kostriksyna, Strengthening Democratic Institutions Project, John F. Kennedy School of Government, Harvard University, March 1997.

The agreement also called for the formation of a special commission to bring about an end to “combat operations,” the gradual withdrawal of Russian troops from the republic, an exchange of prisoners, and cooperative efforts to reconstruct Chechnya’s devastated economy.

Unlike earlier cease-fires, the Khasavyurt agreement held and was followed by the withdrawal of Russian troops from the republic. By the beginning of 1997, all Russian troops had left the republic and resistance forces had assumed uncontested control of Chechnya. To consolidate their political position, the new

authorities in Grozny held presidential elections on 27 January 1997. Maskhadov, who had directed Chechen military operations during the war and then negotiated the cease-fire agreement with Lebed, won the election handily, defeating four other candidates, including the more radical acting President, Zelikhan Yandarbiev, and Shamil Basayev, the Chechen field commander who in July 1995 had led the Chechen raid on the town of Budennovsk in Russia's Stavropol krai that had resulted in numerous civilian casualties. The results of the election are analyzed by Alaoudin Chilaev in "Chechnya: Towards Independence," *War Report*, January/February 1997, pp. 12-13.

While negotiations over the implementation of the Khasavyurt agreement began soon after its signing, both Yeltsin and Chernomyrdin were careful not to endorse the agreement formally. Only in early October did Yeltsin indicate his approval of Lebed's undertakings in Chechnya, and he then distanced himself from the agreement by firing Lebed in late October. And while Chernomyrdin signed an agreement with the Chechens on 3 October establishing a joint commission to implement the Khasavyurt Agreement, he took the opportunity to emphasize the "inviolability of Russia's territorial integrity" and later made clear that the government did not consider the Khasavyurt agreement to be legally binding.

Not until 12 May 1997 did Yeltsin himself put his signature on an agreement with Grozny. Entitled "Treaty on Peace and the Principles of Mutual Relations between the Russian Federation and the Chechen Republic of Ichkeria," the terse agreement included only three provisions: the first stipulated that both sides had "renounced forever (*navsegda*) the use of force and the threat to use force in resolving all disputed issues"; the second affirmed that they both agreed "to construct (*stroit'*) relations in accordance with the generally-recognized principles and norms of international law, and to deal with one another on the basis of specific agreements"; while the third indicated that the treaty would "serve as the basis for additional treaties and agreements on the entire complex of mutual relations." The text of the treaty can be found in Otto Latsis, "Dogovor s Chechnei: Kto Pobedil, Kto Proigral?," *Izvestia*, 14 May 1997. Two intergovernmental agreements were signed that same day, one of which dealt with economic cooperation and was signed by Chernomyrdin and Maskhadov (who was then serving as both Chechen President and Prime Minister), while a second dealt with the mechanism for effecting financial transfers between the Russian central bank and the Chechen government and was signed by the heads of the Russian Central Bank and the Chechen National Bank.

Having won a military victory against improbable odds, and having suffered enormous losses in defeating an invading army, the Chechens have understandably concluded that their republic is now *de facto*, if not yet *de jure*, independent. Accordingly, they have refused, and will continue to refuse for the foreseeable future, to accept any compromise with Moscow over the republic's status—defending independence is now a matter of honor for Chechen politicians. Moreover, Chechen officials believe that both the Khasavyurt and 12 May 1997 agreements are tantamount to recognition of Chechen independence, particularly in view of the provisions stipulating that future relations between Moscow and Grozny are to be governed by "generally-recognized principles and norms of international law." They have therefore refused to take any steps, including symbolic ones such as carrying Russian passports abroad, that might compromise Chechen sovereignty. The five-year delay provided for the Khasavyurt agreement, they believe, is simply a face-saving device designed to allow Russia's leaders to prepare the Russian electorate for Chechen independence.

Accordingly, Grozny is taking every opportunity to remind Moscow of its powerlessness. It has refused to send representatives to Russia's Council of the Federation or State Duma or to participate in any way in the Russian government. Chechen officials are being dispatched to foreign countries in search of political and economic support, while the republic has begun issuing its own passport. However, few if any governments will accept those passports as valid without permission from Moscow—doing so would suggest recognition of Chechen independence. And for this same reason Moscow will refuse to grant such permission. Various compromises have been suggested that would allow Chechen officials and even citizens to travel abroad without having to use the new passports being issued by the Russian Federation. One possibility is to allow Chechens to continue to use their Soviet-era international passports, although this is impossible for the many Chechen officials who did not obtain Soviet-era

passports because they never traveled abroad during the Soviet period. Another possibility is for Moscow to allow Chechens to use their Soviet-era internal passports. The passport issue is particularly significant because it forces other governments to become directly involved, at least implicitly, in the status question. To date it has been resolved on an ad hoc basis, which has allowed Chechen officials to travel abroad. For example, during his recent visit to the US, Chechen President Maskhadov reportedly used a Moscow-issued passport (although whether it was a Soviet or Russian Federation passport is unclear). Which passport to use has also been a problem for the Abkhaz. The Chechens have also refused to allow Russian police officials on Chechen soil to investigate the many kidnappings that have taken place inside the republic and in neighboring regions (in addition to many Russians, there are an additional 70 foreigners from countries such as Britain, Hungary, Poland, and Turkey, who are being held for ransom in Chechnya, and most non-governmental organizations and western news organizations have forbidden their employees to enter the republic). In addition, Chechnya has proven to be a tough negotiator regarding an agreement on transit fees for "early oil" from Azerbaijan that is to pass through Chechnya on route to the Russian Black Sea port of Novorossisk. The Chechen government has also begun to enforce Islamic law (*shar'ia*) within the republic, as dramatically highlighted by the televised public execution of two Chechens for murder in September 1997 and its subsequent decision to ban alcohol in the republic. The use of the death penalty in Chechnya creates an awkward foreign policy problem for Moscow. Russia has promised to end capital punishment as a condition of admittance into the Council of Europe. Russian insistence that Chechnya is still part of the Russian Federation along with its inability to enforce a ban on capital punishment in Chechnya could make it difficult for the Council to accept Russian membership. Of course, Russia might persuasively argue that it had indeed banned capital punishment and that its continued use in Chechnya is illegal and that Russia should not be punished for something it can do nothing about. When asked about Russian objections to the executions, the Chechen vice-president, Vakha Arsanov, reportedly stated, "I spit on Russia." Quoted in *The New York Times*, 10 January 1997. In addition, President Maskhadov has indicated that Chechnya will soon declare itself an Islamic Republic, renaming itself "the Islamic Republic of Chechnya." Meanwhile, the government has begun to post street signs in Chechen using Arabic scripts (which few Chechens can read), and it has announced plans to establish a system of Islamic banks, to replace the ruble with its own currency, and to force female students and government employees to wear Islamic clothing. Finally, border clashes have continued between Russian and Chechen forces, particularly in western Dagestan, the most recent of which led the hard-line Russian Interior Minister, Anatolii Kulikov, to threaten preemptive strikes into Chechen territory to "destroy" Chechen "bandits." *RFE/RL Newslines*, 7 January 1997.

Nevertheless, Moscow is in no position to resume hostilities, as most Russian officials readily admit. The war was an unmitigated disaster for Yeltsin personally and for Russia generally. It was responsible for some 40,000-100,000 deaths and enormous destruction and suffering both within the republic and in neighboring regions. Estimates of casualties from the war in Chechnya vary greatly (indeed, considerably more so than in Abkhazia and Karabakh). For most of 1996, the Western media used a figure of 40,000 deaths, despite the fact that fighting was continuing for much of the year. Nor was there any indication where this figure came from. In a speech to Duma on 2 October, Lebed claimed that some 80,000 to 100,000 people had been killed in the fighting, including 3,726 Russian troops, with an additional 17,892 troops wounded and 1,906 missing (*RFE/RL Newslines*, 3 October 1996). Roughly the same figures were cited by then Chechen President Zelikhan Yandarbiev the following week, and subsequently by Sergei Kovalev, former chair of Yeltsin's Human Rights Commission (see, for example, "Russia After Chechnya," *The New York Review of Books*, 17 July 1997). Russia's Interior Minister, Anatolii Kulikov, however, has argued the total number of deaths was closer to 18,000 (*RFE/RL Newslines*, 14 October 1996). Politically, the war only deepened Chechen enmity toward Moscow, making it all but inconceivable that Chechnya will ever become a normal "subject of the federation." It also dealt a severe blow to Russia's international prestige, placed additional burdens on an already strained federal budget, and badly damaged Yeltsin's approval ratings. Finally, it laid bare the weakness of the Russian military, undermining military morale and prestige as well as the credibility of the federal government's ability to impose its will on recalcitrant regional governments elsewhere. Demoralized, underfunded, and on the political defensive, the Russian military would be inviting yet another disaster were it to resume war in Chechnya.

Lacking the means and the will to impose its authority on Chechnya, Russia might indeed be better off recognizing Chechen independence. In view of its small size, economic weakness, and vulnerable location (while Chechnya shares a border with Georgia, the Caucasus range renders the border impassable for most of the year and open only to foot and donkey traffic in the summer), an independent Chechnya might be forced eventually to agree to some kind of compromise relationship with Moscow, possibly entailing an “associated” status for the republic similar to Puerto Rico’s relationship with the United States or Britain’s relationship with its “Dependent Territories.”

Unfortunately, neither recognition of Chechen independence nor associated status is politically possible for Moscow. This is not because the Russian people are deeply opposed to Chechen independence. On the contrary, the war was extremely unpopular, and while most Russians are not particularly sympathetic to the Chechens, they have been angered and humiliated by Russia’s military ineptitude and by the decision to wage a brutal and devastating war that proved unwinnable. Nor do Russians believe that Chechnya is “sacred” Russian territory, and most would readily accept Chechen secession if it meant greater stability and prosperity for Russia. Finally, unlike President Shevardnadze of Georgia or President Aliiev of Azerbaijan, Yeltsin does not have to deal with a large community of displaced persons (DPs) demanding repatriation and the restoration of lost property. While many ethnic Russians have indeed fled the republic, they represent only a tiny portion of the Russian electorate and remain scattered and politically weak.

It is not, therefore, Russian public opinion that stands in the way of Chechen independence or associated status—rather, it is the Russian constitution, on the one hand, and the dynamics of Russian elite politics on the other.

The constitutional obstacles to Chechen independence or associated status are considerable. I have analyzed the constitutional aspects of Chechen independence in greater detail in “Constitutional Obstacles to Peace in Chechnya,” *East European Constitutional Review*, vol. 6, no. 1 (Winter 1997), pp. 55-60. Article 65.1 of the Russian constitution unequivocally identifies “the Chechen Republic” as one of Russia’s twenty-one republics. Nor does the constitution include provisions for secession—on the contrary, Article 4.1 specifies that the “sovereignty of the Russian Federation extends to its entire territory,” while Article 4.3 requires that the Russian Federation “ensure the integrity and inviolability of its territory.” The constitution also makes associated status for Chechnya impossible unless it is substantially amended. Again, Art. 65.1 identifies Chechnya as a subject of the Federation; Article 4.2 states that the constitution and Russian federal laws “shall have priority throughout the territory of the Russian Federation;” Article 6 specifies that citizenship is “uniform and equal,” that each citizen has, “throughout [Russian] territory, all rights and freedoms,” and that “no citizen of the Russian Federation shall be deprived of citizenship or the right to change it.” Finally, the constitution provides for a host of individual rights, liberties, and duties, including the right to “participate in the management of state affairs both directly and through their representatives” (Art. 32.1) and “the right to elect and be elected to bodies of state authority. . . and to participate in referendums” (Art. 32.2). Even associated status for Chechnya, let alone independence, would be unconstitutional without a host of amendments.

While Yeltsin may not be a stickler for the observation of constitutional niceties, neither can he openly flaunt the constitution or accept its amendment to accommodate a deal with the Chechens. It is, of course, very much *his* constitution, having been ratified only after the bloodshed of November 1993 and by an extremely narrow (and disputed) margin in the referendum of 12 December 1993. Moreover, Article 80.2 charges the president with being the “guarantor” of the constitution, and as such he is obligated to take “measures to protect the sovereignty, independence, and state integrity of the Russian Federation and to ensure the coordinated action and interaction of bodies of state authority.” Should Yeltsin move to grant Chechnya its independence, he would therefore be vulnerable to impeachment unless he were to call simultaneously for the amendment of the constitution. The speaker of the Russian Duma, Genadii Seleznev, recently threatened to initiate impeachment proceedings against Yeltsin if he attempts to recognize Chechen independence (*RFE/RL Newswire*, 2 September 1997). This will be very

difficult, however. To initiate the impeachment process, at least one third of the Duma's deputies must approve an initiative to bring the matter to a vote, and a "special commission" established by the Duma must then endorse the motion. At that point, at least two thirds of all deputies to the Duma must then vote to bring charges formally; the Supreme Court must rule that the president's actions are indeed criminal; and the Constitutional Court must agree that the procedures for bringing charges have been observed. Finally, at least two-thirds of all members of the Federation Council must vote to remove the president from office, and this vote must take place no later than three months after the Duma votes to bring charges. A failure by the Supreme Court, the Constitutional Court, or the Federation Council to address the issue in a timely fashion therefore brings an end to the process. Nevertheless, initiating impeachment proceedings would mean that Yeltsin could no longer dissolve parliament or force new parliamentary elections, which might induce the Duma to take such a step if it felt it had reasonable legal grounds for doing so.

It is, however, extremely difficult to amend the Russian constitution. See Robert Sharlet, "The Politics of Constitutional Amendment in Russia," *Post-Soviet Affairs*, 1997, vol. 13, no. 3, pp. 197-227. Amending Chapters 3-8 requires approval by at least three-fourths of the Members of the Federation Council, two-thirds of the Deputies of the State Duma, and two-thirds of the legislatures of all 89 members of the Federation. Conceivably, the Constitutional Court might rule that all that was required to accommodate Chechen independence was to remove it from the list of subjects of the Federation in Art. 65.1, in which case this procedure, difficult as it is, might be all that was needed. However, the Court might well rule that accommodating a change in status requires amendments to Articles 4.1 and 4.3 in Chapter 1, which were intended to ensure the inviolability of Russia's territorial integrity. Amendments to these "fundamental" provisions require a vote by three-fifths of the total number of the members of the Federation Council and deputies of the Duma to convene a Constitutional Assembly (Art. 135). Procedures for constituting the Assembly are supposed to be specified by a federal constitutional law, which has yet to be passed. Once convened, the Assembly must either endorse the constitution as a whole or adopt a new constitution through a two-thirds vote of Assembly delegates. Given the weakness of Russia's democratic institutions, convening a constitutional assembly charged with adopting an entirely new constitution would constitute an enormous political risk for the country, the outcome of which would be anyone's guess.

It is hardly surprising, then, that Yeltsin stated unequivocally on 25 December 1995, "As long as I am president, I will not allow any changes to the constitution." *RFE/RL Newswire*, 29 December 1997. Amending the constitution would allow Yeltsin's opponents to reopen fundamental questions about Russia's precarious democracy and the extensive powers of the president. And while many factions of the Russian political elite have demanded that the constitution be amended, they are very far from agreeing on the substance of any amendments. Moreover, although Yeltsin does not have the right to veto an amendment, he can effectively block any amendments by provoking a crisis with the Duma and disbanding it if it appears intent upon initiating the amendment process. Yeltsin also has low approval ratings and few allies in a conservative parliament that is very opposed to Chechen independence, and he also confronts a foreign policy establishment that would be quick to attack him for undermining Russia's position in the Caucasus by allowing the Chechens to secede. In particular, many Russian officials fear that recognizing Chechen independence would have a domino effect, inducing other Russian republics, and perhaps even some of its non-ethnically defined regions, to press for independence, thereby threatening the disintegration of the federation. My own view is that this fear is exaggerated and that Russian acceptance of Chechen independence would not lead other republics to press for secession. Intergovernmental relations within Russia have stabilized considerably since 1992-1993, and the leaders of its other republics, including those in the North Caucasus, as well as most of the peoples residing in those republics, wish to avoid a "Chechen scenario." For an elaboration of these arguments, see Edward W. Walker, "The Dog that Didn't Bark: Tatarstan and Asymmetrical Federalism in Russia," *The Harriman Review*, vol. 9, no. 4, Winter 1996, pp. 1-35.) It is true, however, that instability in Chechnya could spill over into other neighboring republics, particularly Dagestan, but this instability is unlikely to manifest itself in demands for independence—most Dagestanis fear that the brittle ethnic balance in their republic would unravel should the republic press for independence. And while they opposed the Russian intervention in

Chechnya and were sympathetic to the plight of the Chechens during the war (despite pre-war resentment over Chechen lawlessness and the frequent robberies of passengers on the railroad through Chechnya to Makhachkala), they also resent Chechen irredentist claims on areas of eastern Dagestan that were traditionally settled by Chechens. See Anna Matveeva, "Dagestan," *Former Soviet South Briefing Paper*, The Royal Institute of International Affairs, no. 13, May 1997. Most importantly, Yeltsin needs to deal with a host of problems, including inadequate tax collection, wage arrears, and rampant crime and corruption. There is therefore a great deal on Yeltsin's political plate already, and trying to convince a hostile parliament and two-thirds of Russia's regional legislatures to accept Chechen independence is simply beyond his political capacity. As a result, he has repeatedly made clear his commitment to the inviolability of Russia's borders, stating that Chechen "sovereignty" must be realized within Russia's borders and flatly rejecting Chechen demands that the two governments sign an international treaty defining their relationship.

Yeltsin's preferred solution to his Chechen dilemma is to postpone negotiations over status until after the end of his second, and presumably final, term in office. The hope in Grozny that Yeltsin is preparing the Russian people for de jure recognition before the five-year deadline provided for in the Khasavyurt Agreement is therefore unrealistic. In fact, even most of the accord's Moscow supporters accept that the agreement has no status under Russian law. It was signed by Lebed, who at the time was Secretary of the Security Council, and neither the Council itself nor the position of Secretary is provided for in the constitution or federal law (both the Council and its Secretary were established by presidential decree). Nor does the position of Secretary require approval by parliament, which means that the Khasavyurt accord is not even an intergovernmental "agreement" (*soglashenie*) signed by heads of government (e.g., the Russian prime minister) or government ministers, or an "interstate treaty" between federal and regional executives on the mutual delegation of powers, as provided for by the constitution. The Russian constitution provides for two kinds of treaties—international treaties (*mezhdunarodnie dogovory*), which are signed by heads of state (for Russia, the president) and have to be ratified by a majority vote in the upper house of the Russian parliament (the Council of the Federation); and "treaties" (*dogovory*) on the mutual delegation of powers between the subjects of the federation (republics and regions) and the federal government, which are signed by the Russian president and the "heads of state" of the regions and republics (i.e., "governors" in the case of the regions, and "presidents" in the case of republics). Some 37 of these treaties have been signed to date. The accord's self-designation as a "treaty" (*dogovor*) is therefore without legal foundation. Even less is it an international treaty, which the constitution specifies must be ratified by the Federation Council. Finally, the statement that Chechnya's status will eventually be resolved "in accordance with universally recognized principles and norms of international law" is in effect boilerplate language stipulating that the agreement will not violate any of the international legal agreements to which Russia is a party. In short, the agreement has only political, not legal, significance, and even this political significance is limited—neither Yeltsin nor Chernomyrdin ever officially endorsed it, and Lebed was fired shortly after signing it.

Yeltsin is thus under no real political pressure to reach an agreement with the Chechens on status. On the contrary, an agreement formally recognizing Chechen independence would give his opponents yet another opportunity to attack him by challenging his legal authority for doing so, thereby reminding the Russian electorate of who was responsible for the war. It is therefore very unlikely that Yeltsin will push for an agreement on status with the Chechens during his remaining years in office. Instead, the Russian government will try to find common ground on more immediate economic and political issues, signing bilateral agreements on specific issues. If the Chechens prove irreconcilable, as appears increasingly likely, or if the political situation inside the republic continues to deteriorate, Moscow will then intensify its efforts to isolate the republic by routing transportation routes, communications, and pipelines around it.

It is possible, although unlikely, that Yeltsin will run for a third term. If he does and wins, he will continue to confront the same legal and political obstacles to an agreement with the Chechens that he faces today. So too will any successor, even one who believes that Russia would be better off recognizing Chechen independence. And it is far from clear that Yeltsin's successor will actually prove more sympathetic to the Chechens. Aleksandr Lebed, Yurii Luzhkov, and Gregorii Yavlinskii (all possible presidential contenders

in 2000) have all argued that the war was a tragic mistake and that Chechnya should be granted its independence. Whether they would in fact prove willing to take on the legal and political obstacles to Chechen independence should one of them become Russia's president (and Yavlinskii is a real long shot) can be doubted. Of the three, the one the most likely to accept such a political burden is in my view Lebed. On the other hand, neither is Russia about to launch another invasion of the republic, regardless of the saber-rattling of people like Interior Minister Kulikov, and it will be a very long time indeed, if ever, before the Chechens consider any compromise on independence. As a result, today's "no war, no real peace" is likely to last for the foreseeable future, and Chechnya will remain an acute problem and a source of instability for Russia's fledgling democracy for years to come.

### ***Risks of War and Pressures for Peace in Abkhazia***

In September 1993, Georgian troops suffered a humiliating defeat in Abkhazia at the hands of a curious coalition of Abkhaz, North Caucasian (particularly Chechen), and Russian irregular forces supported by elements of the Russian military. For background on the war, see Georgi M. Derlugian, "The Tale of Two Resorts: Abkhazia and Ajaria Before and Since the Soviet Collapse," Working Paper #6.2, Center for German and European Studies and the Institute of International Studies, UC Berkeley, March 1995; Elizabeth Fuller, "Abkhazia on the Brink of Civil War?," *RFE/RL Research Report*, vol. 1, no. 35, 4 September 1992; Catherine Dale, "Turmoil in Abkhazia," *RFE/RL Research Report*, vol. 2, no. 3, 27 August 1993; and Ghia Nodia, "Causes and Visions of Conflict in Abkhazia," Working Paper, Berkeley Program in Soviet and Post-Soviet Studies, UC Berkeley, forthcoming, spring 1998. The defeat was particularly galling for Georgians because the Abkhaz had constituted a small minority in the republic prior to the war—out of a total population of 525,061 in 1989, 239,872 (45.7 percent) were ethnic Georgians and 93,267 (17.8 percent) were Abkhaz. Moreover, the Abkhaz represented only 1.8 percent of the population in Georgia as a whole. *Natsional'nyi sostav naseleniia SSSR*, Goskomstat SSSR, Moscow, 1991, p. 116. In addition, there were 76,541 Armenians (14.6 percent) and 74,914 Russians (14.2 percent) resident in Abkhazia, according to the 1989 census, many of whom were retired military personnel. I should also note that the notion of "ethnic Georgian" is somewhat problematic. Not only are there strong regional identities in the mountainous country, but linguists consider there to be three distinct Kartvelian languages—Georgian, Mingrelian, and Svan (all mutually unintelligible). However, speakers of all three languages were categorized as "Georgians" by Soviet nationality policy (e.g., there was no possibility of describing oneself as "Mingrelian" or "Svan" in Soviet internal passports). Most Georgian-speaking Georgians argue that the Mingrelians and Svans consider themselves every bit as Georgian as Georgian-speakers, but I know of no survey research confirming this. Notably, the former president of Georgia, Zviad Gamsarkhurdia, was from Mingrelia (as was Beria, Stalin's last head of the secret police), and many of Gamsarkhurdia's supporters (the "Zviadisti") came from Mingrelia. Mingrelian and Svan speakers are particularly relevant to the Abkhaz conflict because Mingrelia and Svanetia are contiguous to Abkhazia, and many of the "Georgians" living in Abkhazia prior to the war, particularly in Gali district (see below), were Mingrelian-speaking, while the people living in the Kodori Gorge area were, and still are, mostly Svans. Interestingly, the Abkhaz have been trying to improve relations with Mingrelians, apparently in an effort to drive them apart from the Georgian-speaking majority (two Abkhaz members of parliament are Mingrelians). Human rights workers report that many Mingrelians, including most of the villagers who have returned to Gali, are in fact fed up by war, although others are profiting from large-scale smuggling operations. To simplify matters, I will henceforth use the term "Georgian" to refer to all citizens of Georgia other than the Abkhaz.

The Georgian defeat and the flight of its troops from Sukhumi, the Abkhaz capital, prompted the exodus of virtually the entire population of ethnic Georgians from the republic. Taking advantage of the chaos that ensued, troops loyal to Zviad Gamsarkhurdia, the former Georgian president who had been ousted in a coup in December 1991, launched an uprising in western Georgia. By mid-October, Gamsarkhurdia's forces were advancing on Kutaisi in central Georgia and threatening to move on to Tbilisi. To deal with the threat, the Georgian government was forced to call upon Russian troops to repress the rebellion, in exchange for which Tbilisi promised to comply with Russian insistence that it join the CIS. Shortly thereafter, talks began over a treaty providing Russia with military bases on Georgian territory.

UN-sponsored talks between Abkhazia and Georgia got underway in Geneva that November, and a formal cease-fire was signed on 1 December 1993. Additional rounds of talks led to a 4 April 1994 agreement to deploy a peacekeeping force (PKF) to separate the combatants and help repatriate the estimated 180,000 to 240,000 "displaced persons" (DPs) who had fled the fighting and were now being housed in horrific conditions in Tbilisi and elsewhere in Georgia. The UN distinguishes between "refugees," who are forced to flee fighting or political persecution across international borders, and "internally displaced persons" (IDPs), who are forced to flee fighting or political persecution but who do not cross international borders. I use the "DP" to refer to both. The exact title of the agreement was, "Agreement on the Voluntary Return of Displaced Persons," which allowed the parties to finesse the question of whether ethnic Georgians who had fled into Georgia were refugees, thereby implying that Abkhazia was an independent state, or IDPs, implying that it was not. (The fact that many refugees had fled into Russia as well as Georgia meant that some of the DPs were indeed refugees under UN terminology.) These issues created some difficulties for the UN High Commission on Refugees (UNHCR) when it became active in Abkhazia because formally the UNHCR's mandate is for refugees only. It therefore had to obtain a special mandate from the UN Secretary General to operate in Abkhazia. With regard to the number of DPs from the conflict, the figures are, as elsewhere, disputed. See, for example, "Georgia/Abkhazia: Violations of the Laws of War and Russia's Role in the Conflict," *Human Rights Watch Arms Project*, vol. 7, no. 7, March 1995. I give what I take is a reasonable range given the fact that there were only 239,872 Georgians in Abkhazia prior to the war, that most of the non-Georgians who fled the fighting (Russians, Armenians, Greeks, and Abkhaz) did not go to Georgia, and that some of the DPs who did arrive in Georgia have since left. However, disagreements over which international organizations would sponsor the PKF (the United Nations or the CIS), which countries would contribute troops, and where the PKF would be deployed prevented implementation of the April accord. Shevardnadze was already pressing vigorously for an international PKF operating under a UN or even an CSCE (OSCE) mandate, but the Western powers, and particularly the United States, were reluctant to take on another peacekeeping operation or become involved in a conflict bordering directly on Russia. It was therefore not until 14 May 1994 that an agreement was reached on the specifics of the PKF deployment. The agreement called for the establishment of a demilitarized zone (referred to as "the Security Zone") stretching for 12 kilometers on each side of the Inguri River (the Inguri had marked the southern, and most accessible, part of the border between the Abkhaz Autonomous Soviet Socialist Republic and the rest of Georgia in the Soviet period). In addition, heavy weapons would be withdrawn from a Restricted Weapons Zone extending for another 12 km on each side of the Security Zone. The PKF would operate under a CIS mandate, and troops were to come from a number of CIS states. The PKF was charged not only with monitoring the cease-fire but also with helping to ensure "the safe return of refugees and displaced persons, especially in the Gali District," by policing the Security and Restricted Weapons Zones as well as "other areas" subject to the agreement of all parties.

To support the PKF, the UN Security Council subsequently agreed to expand the mandate of the UN Observer Mission in Georgia (UNOMIG) to include monitoring the activities of the CIS PKF. UN observers had been dispatched to Abkhazia for the first time in the summer of 1993 to monitor a Russian-brokered cease-fire of 27 July 1993 that subsequently broke down. The mandates of the PKF and UNOMIG were repeatedly extended, and by early 1997, some 1500 peacekeeping troops and 136 UNOMIG observers were stationed in Abkhazia. The UNHCR also established a small mission in the republic, headquartered in Sukhumi, while the OSCE (formerly CSCE) has had a limited role in providing humanitarian assistance and contributing to efforts to reach a political settlement. See S. Neil MacFarlane, Larry Minear, and Stephen D. Shenfield, "Armed Conflict in Georgia: A Case-Study of Humanitarian Assistance," Occasional Paper #21, Thomas J. Watson Jr. Institute for International Studies, 1996.

As it turned out, however, a number of the key provisions of the May 1994 agreement were never implemented. First, Russia ended up contributing the overwhelming majority of troops for the PKF, and indeed all 1500 PKF troops in Abkhazia today are Russian military personnel. Initially Armenia and (curiously) Georgia also contributed a limited number of units to the PKF, although all PKF officers were Russian. Second, the Abkhaz allowed only a very limited number of Georgians to return to their homes,

arguing that they had a right to screen returning DPs to prevent the repatriation of war criminals, that economic conditions in Abkhazia did not allow for the rapid return of such a large number of refugees, and that they could not provide for the safety of the returnees in view of Abkhaz enmity toward Georgians in the wake of the war. By early 1997, the Abkhaz were reportedly processing only some 200 DP applications a month.

Prior to the PKF's deployment, Tbilisi had been very concerned that the PKF not entrench the status quo, becoming in effect an Abkhaz border guard that did nothing to reverse what Tbilisi characterized as "ethnic cleansing" of Georgians from the republic. Georgian President Eduard Shevardnadze repeatedly insisted that the April 1994 agreement on repatriation be implemented and that the PKF police all of Gali as well as southern Ochamchire district. The Abkhaz refused, however, arguing that the May 1994 agreement had specified that all parties had to agree to any expansion of the PKF's mandate.

Nevertheless, while Abkhazia's officially-sponsored repatriation program proceeded at a snail's pace, a significant number of DPs began to return quietly to Gali district, where in 1989 the region's population had been 93.8 percent Georgian and only 0.8 percent Abkhaz. For an excellent survey of internal displacement patterns and living conditions for DPs in Georgia and Abkhazia, see Catherine Dale, "Georgia/Abkhazia: Forced Migration, Internal Displacement—and a Return to Peace?," *Refugee Survey Quarterly*, Autumn 1997. The exodus of ethnic Georgians had left Gali largely depopulated immediately after the war, but by mid-1997 an estimated 50,000-60,000 Georgian villagers had returned to the district under a low-profile repatriation program run by the UNHCR. Information on internal conditions in Abkhazia was obtained through interviews with Ekber Menemencioglu, Chief of Mission, UNHCR, Georgia, Tbilisi, 12 June 1997; Martin Schümar, United Nations Volunteers Coordinator in Georgia, Tbilisi, 11 June 1997; and Henry T. Wooster, US Member, OSCE Mission to Georgia, 13 June 1997. See also Catherine Dale, "Georgia/Abkhazia," *op.cit.* In many respects the program was a considerable success, with conditions in Gali improving as villagers returned to farm their land under the informal protection of the UNHCR. Unfortunately, the program also increased tensions in the district. Returned Georgian villagers were harassed by the Abkhaz militia, who undertook frequent patrols into Gali to demonstrate Abkhaz sovereignty over the district. The often unruly Abkhaz militiamen conducted document checks and forced villagers to "register" with the Abkhaz government and pay "taxes." In addition, Georgian villagers feared that the Abkhaz would attempt to enforce conscription in the district, coercing young Georgians to serve in the Abkhaz militia. As a result, the patrols led to frequent violence. To defend themselves, Georgian villagers took to placing anti-personnel mines around their villages, which helped to deter Abkhaz raids but also constituted a substantial hazard to neighboring villagers as well as to PKF and UNOMIG personnel.

Adding to the tension in Gali was the activity of a Georgian irregular force known as the White Legion. White Legion guerrillas were attacking not only the Abkhaz militia and sabotaging economic targets in Abkhazia, but they were also targeting Russian PKF troops on the grounds that the PKF was preventing Georgia from exercising its right to use force to preserve its territorial integrity. The Abkhaz government-in-exile in Tbilisi (see below) reportedly has an additional 3,000 irregular troops under its command, most of whom are former policemen who fled Abkhazia in 1992-1993. The White Legion also objected to the fact that PKF troops had been escorting Abkhaz militia on their patrols, apparently in an effort to minimize violence. While UNOMIG observers reported that the Abkhaz militia were indeed better behaved when escorted by PKF troops, the White Legion argued that Russian troops were siding with the Abkhaz, just as they had in 1992-1993, and that they were therefore legitimate military targets. Raids into Gali by the White Legion's well-trained guerrillas, who were equipped with sophisticated weapons, including remote-controlled anti-tank and anti-personnel mines, had led to the deaths of over 40 Russian troops by the summer of 1997, and their military proficiency convinced the Abkhaz, as well as many Western observers, that the White Legion was being trained, equipped, and otherwise supported by the Georgian government, the latter's denials notwithstanding.

By the summer of 1997, Georgian-Abkhaz relations were thus extremely tense, to the point where many observers were predicting an imminent resumption of hostilities. In particular, it was feared that an

expansion of the Security Zone, as demanded by Georgia, would lead to new violence. Sukhumi was adamantly opposed to a PKF redeployment, and were the PKF to begin to redeploy without Sukhumi's permission, the Abkhaz militia might intensify their raids on Georgian villages and begin attacking the PKF. Rather than accepting the risk that this would pose to its troops, Moscow might prefer to withdraw the PKF. Alternatively, Tbilisi might insist on the PKF's withdrawal because of its refusal, or inability, to fulfill its mandate. In either case, Georgian villagers in Gali would be even more vulnerable to Abkhaz harassment, and in the event of a massacre of Georgian villagers by the Abkhaz militia, or of a major clash between Abkhaz and White Legion forces, Shevardnadze might have no choice but to order an invasion.

Fortunately, both the Georgians and the Abkhaz have a significant interest in avoiding another war. For the Georgians, renewed fighting in Abkhazia would threaten the dramatic political and economic progress the country has made under Shevardnadze's leadership. The anarchy that prevailed in 1992-1993 is now a memory, and Georgia had the fastest growing economy in the CIS in 1996 and one of the fastest in 1997. To sustain this recovery, however, it will need substantial foreign investment. Particularly important is the completion of a pipeline bringing so-called "early oil" from Azerbaijan's Caspian oil fields to the Georgian port of Supsa. If this project proves successful, Georgia may benefit in the future from the construction of larger capacity pipelines for delivering the enormous reserves of oil and gas in the Caspian Basin to the international marketplace. All this, and indeed foreign investment in general, would be jeopardized by a resumption of the Abkhaz war.

Nor could Georgia be confident that it would win such a war. The Abkhaz reportedly have some 4,000 to 5,000 regular troops and claim to be able to mobilize another 30,000 reservists, most of whom participated in the 1992-1993 war. The Georgian military, on the other hand, has an estimated 50,000 troops in uniform, most of whom have had limited, if any, combat experience, and who reportedly remain poorly trained. The Georgians also have a limited number of tanks and armored vehicles to carry out an offensive into enemy-held territory. Neither can Tbilisi be confident that Moscow, or factions of Russia's security apparatus acting independently, would not once again provide material support, intelligence, advice, or more to the Abkhaz in the event of war, while the Muslim peoples in Russia's North Caucasus might again provide arms and irregular troops. And even if the Georgian army managed to occupy Sukhumi, the Abkhaz would likely retreat to the north, as they did in 1992, and wage a guerrilla war that would sap the strength of Georgia's military and destabilize Georgia politically. It is with good reason, then, that Shevardnadze has repeatedly asserted that it is imperative that Tbilisi's conflict with the Abkhaz be resolved by peaceful means. At the same time, Shevardnadze and Georgia's Defense Minister, Vardiko Nadabaidze, have asserted on numerous occasions that the Georgian military is ready and able to restore Georgian sovereignty in Abkhazia by force, while Shevardnadze has stated that, in the absence of progress at the negotiating table, Tbilisi will eventually be forced to resort to "other means" to restore its territorial integrity. Nevertheless, sources in Georgia indicate that the Georgian military is well aware of its limitations and that most senior officers believe that Georgia is not yet ready to launch an offensive into Abkhazia.

The Abkhaz, too, have a considerable incentive to avoid another round of fighting. While less devastating in absolute terms than the conflict in Chechnya, the fighting in Abkhazia in 1992-1993 caused some 6,000-8,000 deaths and destroyed much of the republic's infrastructure, industrial capacity, and housing stock. Causality figures are unreliable and vary considerably, as would be expected in this kind of "disorderly" war. The figure cited above was provided by Paata Zakareishvili, Chief of Staff of the Georgian Parliamentary Committee on Human Rights, Tbilisi, 28 May 1996. A similar estimate derived from interviews of both Abkhaz and Georgian sources is given in the Human Rights Watch Report cited above ("Georgia/Abkhazia: Violations of Law," op.cit, p. 5). More fighting would only lead to greater devastation and increased emigration. Moreover, while the Georgian military is still underfunded, internal order and a rapidly improving Georgian economy have allowed Tbilisi to improve its military capabilities. As a result, the Georgians would likely prove a more formidable foe than in 1992-1993, when the "army" was little more than a cluster of paramilitary forces and other irregular troops.

Moreover, conditions inside Abkhazia are very bad. After Georgia joined the CIS and signed its military-basing treaty with Moscow, Russia agreed to implement a CIS-mandated blockade of Abkhazia, which it did relatively conscientiously by imposing restrictions on frontier crossings and inspecting vessels entering Abkhaz waters to prevent anything other than food and consumer goods from entering the republic. Nevertheless, like most blockades it was only partially effective. Significant smuggling across the border continued, particularly exchange of Russian consumer goods for Abkhaz fruits, nuts, and vegetables, and as a result most consumer goods could be found in Abkhaz markets, albeit at very high prices given Abkhaz income levels. Even before Moscow began to enforce the blockade, however, Abkhazia's economy had been devastated by the war. Its tourist industry had been destroyed (tourism had been a major part of the Abkhazia's economy before the war—the republic's beautiful and mountainous coastline and excellent beaches made it one of the Soviet Union's most desirable vacation spots), while the interruption of rail service from Russia had isolated the republic and interrupted trade not only with Georgia but with its large neighbor to the north as well. Moreover, war and deteriorating living conditions had caused the republic's population to fall by some 70 percent, from 535,061 in 1989 to an estimated 145,000 today. The latter figure may be even lower—the Abkhaz are wary of population estimates because they fear that evidence of continuing out-migration will demoralize the Abkhaz and encourage Georgia to invade. Nevertheless, employees of human rights organizations active in the region report that many ethnic Abkhaz appear to have left the republic, and that the number of those remaining may be 65,000 or less. The number of ethnic Armenians in Abkhazia, however, has reportedly decreased less than others, and reports of Armenians moving into Georgian villages have contributed to tensions between Georgians and Armenians. Losses of skilled labor and white collar workers have been particularly acute. Economic activity inside the republic, with the exception of mostly subsistence agriculture and petty smuggling, has come to a virtual standstill, while the absence of legitimate employment together with new smuggling opportunities help account for a significant increase in crime in the republic. On 25 May 1997, ITAR-TASS reported that Ardzinba had declared a 11 p.m. to 6 a.m. curfew to prevent factional fighting between Abkhaz criminal organizations.

Perhaps most importantly, Abkhazia's ability to defend itself has been undermined by its loss of support from abroad. The Chechen debacle has made Moscow far more chary of supporting secessionists elsewhere, particularly along Russia's volatile North Caucasus border. While some Russian officials doubtless still hope that continuing instability in Georgia will increase Tbilisi's dependence on Moscow, thereby making it more likely that pipelines carrying Caspian oil and gas will be routed through Russia, more liberal-minded officials in Moscow argue that Russian interests have been ill-served by heavy-handedness in the Caucasus and hope for a stabilization of the region. Accordingly, Moscow has been attempting to improve its relations with Georgia and Azerbaijan in an effort to enhance Russia's political position and economic penetration of the region. Even Russian conservatives have cause to be concerned about a possible deterioration of relations with Tbilisi, which might lead to Georgian renunciation of the still unratified military-basing agreement with Russia; the replacement of a CIS-mandated PKF by a UN- or OSCE-mandated force with non-Russian troops; Georgian withdrawal from the CIS and closer relations between Georgia and Ukraine or between Georgia and the West; or increased Georgian support for the Chechens. Georgia has been very careful in its dealings with the Chechens, both because it does not want to support separatists given the conflict in Abkhazia and because it does not want to add another source of tension with Moscow. As a result, Shevardnadze has repeatedly affirmed Georgia's support for Russia's territorial integrity, while in practical terms Tbilisi has made clear that it will not provide Chechnya with an air corridor over its territory without permission from Moscow. In addition, it has given a lukewarm reception to Chechen proposals that a road be built between Chechnya and Georgia over the Caucasus range (an extremely expensive proposition, and one that Georgians would be very wary of regardless because of their fear of a significant inflow of Chechen refugees). Nevertheless, many Georgians also point out that there is poetic justice in recent Chechen suggestions that Chechnya and Georgia form a federation given that the Abkhaz have occasionally expressed a desire to become a member of the Russian Federation.

Finally, the Abkhaz can no longer count on substantial support from Muslim sympathizers in the North Caucasus. An envoy of the Confederation of the Peoples of the Caucasus, which had supported the

Abkhaz during the war and arranged for numerous volunteers from Russia's North Caucasus region to cross the border into Abkhazia to fight the Georgians, recently arrived in Tbilisi and offered the Georgians membership in the organization, indicating that the organization now supported Georgia's territorial integrity (*Resonance*, no. 8, 13 January 1998, p. 2, abstracted in the CIPDD Press Digest, 13 January 1998). Relations with the Chechens in particular have soured dramatically. The Chechens deeply resent the fact that the Abkhaz failed to support them during their war with Russia, particularly in view of the critical role Chechen *boeviki* (fighters) played in the Abkhaz victory in 1993. The fighting effectiveness of the Chechens during the war was confirmed by the Georgian Deputy Minister of State Security, Avtandil Iosiliani, personal interview, Tbilisi, 11 June 1997. Moreover, Grozny has been attempting to improve relations with Tbilisi in an effort to reduce its dependency on Russia, and it will therefore think twice before encouraging its *boeviki* to once again leave the still-vulnerable republic to support the Abkhaz in another war with Georgia.

On the other hand, while both parties have a considerable interest in avoiding war, the Georgians have also been very unhappy with the status quo. In an effort to overcome the impasse in negotiations that had been reached by late 1996, Tbilisi pressed its demand that the PKF begin patrolling areas beyond the currently-defined Security and Weapons Exclusion Zones to provide security for returning DPs in Gali and southern Ochamchire district. Ochamchire is located immediately to the north of Gali. Prior to the war, the population of the district was 46.2 percent Georgian and 36.7 percent Abkhaz. The Georgians made clear that, should the CIS refuse to order a redeployment, they would veto the extension of the PKF mandate past its expiration date of 31 January 1997. Although a withdrawal of the PKF might destabilize the situation, officials in Tbilisi argued that it would not lead to a full-blown war but would put pressure on the Abkhaz to speed up the repatriation process and be more flexible at the negotiating table. Personal interview, Revaz Adamia, member of parliament and chair of the parliamentary Committee for Defense and Security Issues, Georgia, Tbilisi, 11 June 1997. Failing that, Tbilisi hoped that a UN- or OSCE-mandated PKF would replace the Russian force that has been unwilling, or unable, to ensure repatriation. And if the OSCE or NATO refused to provide such a force, Tbilisi might even accept an outstanding offer from Ukraine to provide peacekeepers.

A UN- or OSCE-mandated PKF, or a PKF with Ukrainian troops, was unacceptable to Moscow, which has attempted to monopolize peacekeeping operations in the CIS and fears a further loss of influence in the Caucasus. As a result, Moscow finally agreed to Tbilisi's insistence on a redeployment, and with Russian backing a decision was made at the CIS summit of 28 March 1997 to order the PKF to begin patrolling Gali and southern Ochamchire up to the Galidzga River. The PKF's mandate was also extended for another six months, to 31 July 1997, while a plan for implementing the expanded mandate was to be prepared by the end of April.

To Tbilisi's disappointment, however, the 28 March decision was never implemented. In part this was because the PKF lacked the capability to expand its responsibilities—its Russian troops are poorly equipped and ill-trained for peacekeeping duties, let alone for policing a large and volatile area such as Gali and southern Ochamchire. Personal interview, Martin Schümar, United Nations Volunteers Coordinator in Georgia, Tbilisi, 11 June 1997. The principal obstacle to implementation, however, was vehement opposition to the plan from the Abkhaz, who argued that a redeployment would force them to abandon a strategically important defensive line in northern Gali and undermine their ability to resist a Georgian invasion or to protect Abkhaz living in Ochamchire district. A small contingent of Abkhaz troops is also dug in along the Inguri, serving as a tripwire against a Georgian invasion. A larger contingent has taken up defensive positions to the north of the demilitarized zone. As a result, they made clear that they would demand the PKF's withdrawal before allowing a redeployment to proceed. And this, the Abkhaz Minister of Defense asserted, might well lead to war.

Apparently in an effort to increase pressure on Sukhumi to agree to a redeployment, Moscow announced on 14 April that it would comply with a long-standing Georgian request to sever Abkhazia's telephone links with Moscow, thereby forcing them to reroute their telecommunication lines through Tbilisi. The reasons for the timing of this decision are unclear. Georgian officials claim that the Russians objected to

progress in behind-the-scenes talks that were taking place between the Georgians and the Abkhaz without Russian participation, and that Moscow chose that particular moment to agree to a long-standing Tbilisi request that it reroute the telephone lines because it hoped to bring these talks to an end. Georgian officials were therefore angered because they believed that the Abkhaz had fallen into a Russian trap by reacting exactly as Moscow had hoped. Two days later, the Georgian parliament raised the stakes further by adopting a resolution demanding the withdrawal of the PKF should the March CIS redeployment decision not be implemented by 31 July. It also suggested that Georgia would then withdraw from the CIS.

To head off a diplomatic debacle, the Russian government intensified efforts to broker a compromise. On 8 June, President Ardzinba arrived in Moscow for a series of meetings with senior Russian officials, the Georgian Foreign Minister, and Tbilisi's Ambassador to Moscow. After almost two weeks of talks, Ardzinba announced that an agreement had been reached on a "possible formula" for a political settlement.

While the details of the agreement were not made public, it reportedly consisted of a seven-point "interim protocol" drafted by the Russian Foreign Ministry. The protocol specified that the two parties agreed "to live within the confines of a shared state within the boundaries of the Georgian SSR as of 21 December 1991." Georgia and Abkhazia would each "preserve its constitution, and relations between them will be regulated by a special treaty, which both sides agree to invest with the status of constitutional law." In addition, the Abkhaz would provide for the repatriation of Georgian DPs. They would, however, be allowed to continue to screen returnees, while the agreement failed to provide for a repatriation schedule. Finally, Tbilisi was required to prevent White Legion and other irregulars from launching raids into Abkhazia.

Unfortunately, hopes that the protocol constituted a breakthrough went unrealized. Georgian constitutional experts reportedly objected that it implied the subordination of the Georgian constitution to a future Abkhaz-Georgian treaty, which would be a violation of the Georgian constitution, the highest law of the land. At the same time, Georgian hard-liners and representatives of Georgian DPs from Abkhazia insisted on a timetable for repatriation. In the absence of a timetable, they asserted, the Abkhaz would continue to keep the rate of repatriation to a trickle. Hard-liners in Abkhazia, on the other hand, objected to the agreement because a redeployment of the PKF would compromise Abkhazia's ability to defend itself and because repatriation threatened to again make the Abkhaz a minority in their own republic. See Elizabeth Fuller, "Solution to Abkhaz Conflict Continues to Prove Elusive," *RFE/RL Newslines*, Endnote, vol. 1, no. 70, 10 July 1997.

To overcome this opposition, Russian Security Council Deputy Boris Berezovsky undertook three days of shuttle diplomacy with Shevardnadze and Ardzinba in early July, but to no avail. A week later, a major clash in Kodori Gorge reportedly led to the deaths of some 20 White Legion guerrillas. With tensions rising once again, Shevardnadze left for a visit to the United States, where he tried to convince US President Bill Clinton and UN Secretary General Kofi Annan to provide UN-mandated PKF to replace the current force. But with both the UN and the Clinton Administration already under fire for overcommitting to peacekeeping operations elsewhere and reluctant to provoke a possible crisis with Moscow, Clinton and Annan again refused.

Instead, as fears of a clash intensified as the 31 July deadline approached, the so-called Friends of Georgia, which had been established by the UN Secretary General to promote a settlement in Karabakh and consisted of France, Germany, Great Britain, and the United States (with Russia having observer status only), stepped up its efforts to promote a settlement. Talks sponsored by the Group got underway in Geneva on 23 July and led to an unexpected agreement three days later not to resume fighting after

the expiration of the mandate. Ardzinba and Shevardnadze then announced separately that they wanted the PKF to remain in place after 31 July. Nevertheless, the Russian Foreign Ministry indicated that Moscow would withdraw its troops unless both sides formally requested that the PKF stay. And as the deadline approached, the White Legion, the Abkhaz government-in-exile, and Abkhaz militants all threatened to move troops into Gali as soon as the peacekeepers left—indeed, the Deputy Speaker of the Georgian parliament announced that 150 Abkhaz militia had entered a Georgian village in Gali and were preparing to occupy the demilitarized zone after the PKF's withdrawal.

Tensions were therefore extremely high on 31 July, the day the mandate formally expired. That morning, Georgian Defense Minister Vardiko Nadibaidze, who is known for his close ties to the Russian military, flew to Moscow for a meeting with his Russian counterpart. The Georgian media reported that the purpose of his mission was to convince Moscow that the PKF should remain in place without Tbilisi having to issue a formal request that the mandate be extended. If so, his trip was a success—later that day, a Russian Defense Ministry official announced that Moscow had agreed to leave the PKF in place until a decision on its future could be taken at a CIS summit scheduled for 22-23 October.

Both Tbilisi and Sukhumi seem to have been sobered by the crisis atmosphere of late July. See Liz Fuller, "Shevardnadze's Abkhaz Brinkmanship," *RFE/RL Newslines*, Endnote, vol. 1, no. 87, 4 August 1997. As a result, in early August Shevardnadze and Ardzinba responded favorably to a Yeltsin invitation to meet in Moscow. To prepare for the meeting, Primakov met Ardzinba on 9 August in Russia's Black Sea resort of Sochi. However, rather than announcing an agenda for a meeting in Moscow as expected, Primakov and Ardzinba flew to Tbilisi (Ardzinba's first visit to the Georgian capital since the war began) for a meeting with Shevardnadze. The next day—15 August 1997—it was announced that the two presidents had signed a no-use-of-force agreement that specified that both sides would use peaceful means only to overcome their differences.

The no-use-of-force agreement, which was similar to the 12 May agreement between Moscow and Grozny, was received by many as a major breakthrough. However, while it made renewed fighting less likely in the event of a withdrawal of the PKF, it did not resolve the fundamental issues of repatriation and status. It therefore came under immediate attack in Tbilisi, with critics arguing that it amounted to Georgian acceptance of the status quo and that it provided Moscow with an excuse to lift its blockade of Abkhazia. Indeed, Georgian news services reported in mid-August that the Russian blockade was no longer being enforced, with the main border crossing at Psou essentially open to all traffic. This was followed on 7 November by a Chernomyrdin decree lifting restrictions on Russian imports of agricultural products from Abkhazia, a decision that Shevardnadze argued created "hot-house conditions" for Abkhaz separatism. *RFE/RL Newslines*, 18 November 1997.

Nevertheless, the 15 August agreement was followed by a series of low-profile meetings between Abkhaz and Georgian officials that reportedly led to significant progress on specific issues, particularly restoring economic links. Despite the improvement in atmosphere, however, Georgia continued to insist that the March 1997 CIS resolution on expanding the PKF's zone of operation be implemented, which again led to speculation that Shevardnadze would demand its withdrawal at the CIS summit in Chisinau, Moldova, on 22-23 October. Once again, however, Shevardnadze agreed to allow the CIS to extend the mandate for yet another six months, this time to 31 December 1997, explaining his reluctance to veto the decision on the grounds that the PKF was facilitating the return of Georgians to Abkhazia.

Although it renewed the mandate of the PKF in Abkhazia, the summit also served to reiterate the deep internal divisions within the CIS in general and the resentment of other states towards Russia in particular. Shevardnadze, along with President Heidar Aliiev of Azerbaijan and President Petru Lucinschi of Moldova criticized Moscow for its ineffective approach to resolving the conflicts in Abkhazia, Karabakh, and Transdniestar. The last day of the summit, Yeltsin gave a speech in which he admitted that numerous CIS decisions were not being implemented and that the "chronic rift" between decisions and implementation was weakening the organization.

With Georgia continuing to complain about the inability or unwillingness of Russia to engineer a political settlement, a second round of the talks sponsored by the Friends of Georgia got underway in Geneva on 17-19 November. Again, the talks led to unexpected progress. Agreement was reached to establish a permanent "Coordinating Council," chaired by a UN special representative, to oversee the negotiating process. Three separate working groups were also established to address repatriation, security issues, and economic cooperation. Delegates to the negotiations reported that Moscow seemed to have become more supportive of the Geneva talks and that the atmosphere at the discussions had improved substantially. Georgia in particular touted the Friends of Georgia process, and in a gesture of goodwill announced the week before the talks began that direct telephone links between Abkhazia and Russia could be restored.

Nevertheless, tensions between Abkhazia and Georgia remain high. Acts of sabotage in Abkhazia and attacks on the PKF by the White Legion, as well as clashes between White Legion and Abkhaz forces, have continued in and around Gali, as has harassment by the Abkhaz militia of Georgian villagers in Gali and the Kodori Gorge. At the same time, militants in Tbilisi are pressuring Shevardnadze to take whatever steps are necessary to accelerate repatriation and restore Georgian sovereignty, including resort to force if necessary. In early October, the Georgian military conducted large-scale maneuvers in western Georgia near the border with Abkhazia, which prompted protests not only from the Abkhaz Defense Minister and the commander of the CIS PKF but from UNOMIG observers in Abkhazia as well. Meanwhile, the Abkhaz are reportedly planning to carry out a referendum in which voters will be asked whether they wish that Abkhazia become part of Georgia, part of Russia, or independent. Abkhaz authorities have also publicly demanded \$60 billion in war reparations from Georgia. Finally, the rolling six-month mandate of the PKF has again expired and will need to be renewed at the next summit (probably in March), raising the prospect of a precipitous withdrawal.

Nevertheless, pressures for a settlement are also great, while obstacles to a compromise over status are somewhat less daunting than in Chechnya or Karabakh. The Georgian constitution, unlike the Russian constitution, is not a major barrier to a settlement. When it was being drafted in early 1995, its framers decided that, given Tbilisi's unresolved conflicts with Abkhazia and South Ossetia and regional tensions throughout the country, it would be wise to defer the inclusion of provisions that would formally constitute Georgia as a federation and define a division of powers between federal and regional governments. Neither does the constitution call for the creation of regional legislatures, and while it provides provisionally for a unicameral legislature, it also specifies that "once appropriate conditions and self-governing bodies have been established over the whole territory of Georgia, Parliament will be formed of two chambers: the Council of the Republic and the Senate" (Art. 4). The degree of representation (including possibly disproportionate representation) from Georgia's regions in this future bicameral legislature will be decided when it is constituted. Finally, the constitution is relatively easy to amend, requiring only a two-thirds majority in the current 235-member parliament (Art. 102). *Konstitutsiia Gruzii*, Georgian Parliamentary Press Service, Metsniereba: Tbilisi, 1995. Article 1 states, "Georgia is an independent, single, and indivisible law-governed state, as ratified in the referendum carried out on 31 March 1991 throughout the territory of the country, including the then Autonomous Soviet Socialist Republic of Abkhazia and the former autonomous oblast of South Ossetia..."

The principal obstacle to Georgian recognition of Abkhaz independence is not, therefore, the constitution. Rather, it is the extent to which both the Georgian political elite and the Georgia electorate believe that Abkhazia is an alienable part of Georgia. Unlike Yeltsin, who could doubtless convince the Russian people to accept Chechen independence with little difficulty, Shevardnadze would find it all but impossible to persuade either members of parliament or the Georgian electorate to reconcile themselves to an independent Abkhazia, even if he wanted to (and there is no reason to believe that he does). While many Russian public figures, including Aleksandr Solzhenitsyn, have publicly stated that Russia should allow Chechnya to secede, any public figure in Georgia who made such a recommendation would be jeopardizing his or her career and even life. Moreover, the 180,000-240,000 DPs are well-organized and represent a significant electoral bloc. They have formed a government-in-exile, the leader of which, Tamaz Nadareishvili, is an influential member of parliament and Deputy Prime Minister who is militant

about the restoration of Georgian sovereignty in Abkhazia. Personal interview with Tamaz Nadareishvili, Chairman of the Supreme Council of the Autonomous Republic of Abkhazia and Member of the National Security Council of Georgia, Tbilisi, 12 June 1997. Georgians from Abkhazia have also formed a highly vocal "Abkhazeti" faction in parliament. There are reports of growing splits in the ranks of the DP community in Georgia due to accusations of financial improprieties. As a result, the government-in-exile and Nadareishvili have recently been more supportive of Shevardnadze's efforts to reach a compromise with the Abkhaz. In turn, Shevardnadze agreed to allow the government-in-exile to include one of its members in the Georgian negotiating delegation. See Elizabeth Fuller, "Light at the End of the Tunnel?," *RFE/RL Newswire*, Endnote, vol. 1, no. 168, Part I, 26 November 1997.

Nevertheless, it is conceivable that the Georgians and Abkhaz could eventually agree to some kind of compromise arrangement on status. The Abkhaz have indicated that they would accept a status that falls short of full independence entailing a "confederal" arrangement of equal partners, entered into on a purely voluntary basis, whereby neither Georgia nor Abkhazia would be subordinate to the other but with a common defense and foreign policy. Each party to the confederation would have its own constitution, with the confederation itself defined by treaty alone. Accordingly, the Abkhaz have been generally supportive of the agreement drafted by the Russian Foreign Ministry that was initiated in June. On the other hand, Tbilisi continues to insist on the applicability of the Georgian constitution to Abkhazia (hence its rejection of the June agreement). Nevertheless, it has also indicated a willingness to grant Abkhazia "the highest level of autonomy" and a special status within an "asymmetrical" Georgian federation accompanied by security guarantees, including a commitment not to deploy Georgian troops within the republic except (presumably) for a modest force along the Abkhaz-Russian border.

Even if it were possible to reach a compromise on status (and the two sides are still very far apart on this topic), the two sides would still need to deal with the even more intractable problem of DP repatriation. Were it not for the fact that there are 180,000-240,000 Georgians who wish to return to their homes in the republic, Tbilisi and Sukhumi could postpone a resolution of the status question and focus on more prosaic topics such as trade, the restoration of telecommunications links, and the resumption of railroad service between Russia and Georgia across Abkhaz territory. This in turn could help to build trust and make possible a compromise on status.

The need to repatriate the DPs, however, makes a staged approach to a settlement extremely difficult. Unlike Moscow, Tbilisi cannot afford to be patient; unlike Azerbaijan, Georgia is a genuine democracy with a DP population that constitutes a significant electoral block that Georgian politicians cannot ignore; and unlike the Karabakh Armenians, the Abkhaz would become a significant minority in their own republic in the wake of comprehensive repatriation. Given the extent to which they distrust Georgian intentions, the Abkhaz will almost certainly reject a repatriation program that threatened to make them an electoral minority in the republic once again. Even preferential policies, such as parliamentary quotas or reserved positions in government, would do nothing to alleviate their fears that, once a majority, the Georgians would move to eliminate those preferential policies and insist on the full restoration of Georgian sovereignty over the republic, including policing powers. This, the Abkhaz fear, would lead either to "ethnic cleansing" by the Georgians or to more subtle forms of discrimination or cultural pressure that would force them to emigrate, a prospect that is all the more horrifying because, unlike the Karabakh Armenians or the Russians who have fled Chechnya, the Abkhaz have no titular state to escape to should they be driven from Abkhazia.

The Abkhaz have other concerns about repatriation as well. Were Georgian sovereignty over the republic to be restored, repatriated Georgians might take revenge on those Abkhaz who took part in the fighting in 1992-1993 and were responsible for Georgia's humiliating defeat. This revenge could occur by illegal means, or it might take the form of trumped up, or in some cases genuine, charges of having committed war crimes. Nor will the Abkhaz allow members of the White Legion or other Georgian "war criminals" to return to Abkhazia, thereby ensuring that many former combatants on the Georgian side will reject any settlement that does not include an explicit amnesty for them. As a result, the White Legion and other Georgian militant forces will likely continue to wage a guerrilla war against the Abkhaz and any

international troops or observers who help preserve what they consider to be an unjust peace, although the effectiveness of their operations could be substantially limited were the Georgian government to decide to crack down on their activities.

It is therefore very unlikely that the Abkhaz will accept a repatriation program that restores the demographic balance of 1989. As a result, any settlement will likely require a redrawing of Abkhazia's borders to remove areas with large pre-war Georgian majorities (e.g., Gali District, southern Oчамchire and the Kodori Gorge) from Sukhumi's jurisdiction. In addition, a multilateral PKF would have to be deployed to separate Georgian and Abkhaz troops and to provide Sukhumi with the security needed to induce it to trade territory for peace, and doubtless it would be better if that PKF operated under a UN or (less likely) an OSCE mandate in view of Georgian distrust of Russian intentions. The Abkhaz, it is worth noting here, are not inherently pro-Russian and anti-Western. If anything, they tend to be pro-Turkish. In fact, the "genocide" that almost destroyed the Abkhaz as a distinct people at the end of the last century was perpetrated by the Russian imperial government. Abkhazia's informal alliance with Moscow (which to a certain extent still exists, although relations are now more strained) was based mostly on the former's need for allies and the latter's desire to pressure Georgia. Sukhumi might then be willing to accept a gradual repatriation program for the remaining districts under its control, especially if it had the right to limit the rate of return of DPs, control the number of newcomers who enter the republic in the future, and control citizenship (which would mean that Georgian returnees would not be able to vote in regional elections, something that many Georgians would doubtless consider unfair). Under these terms, the Abkhaz might possibly be persuaded that they were no longer at risk of becoming an electoral minority within the republic.

While possible, reaching such an agreement is by no means probable. It would inevitably leave many grievances unsatisfied—most notably, many Georgian DPs would be unwilling to return to territory controlled by the Abkhaz, while others would be unable to return because the rate and extent of repatriation would be limited. At the same time, the Abkhaz would likely continue to resist repatriation in the areas under their administrative control.

On the other hand, today's "no peace, no war" impasse is also unlikely to persist. Shevardnadze may find that his political credibility is dependent upon his ability to make some progress over Abkhazia, and he may therefore decide to insist on the PKF's withdrawal, gambling that the international community would ultimately step in and provide a replacement force. Alternatively, Moscow may decide to withdraw its troops either because it no longer wishes to incur losses suffered at the hands of the White Legion or other irregular forces, or because it wishes to precipitate a crisis in the region.

Shevardnadze's current strategy for resolving the current impasse is to improve political and economic conditions in Georgia while persuading the international community to take a more active role in mediating a political solution. He has concluded that there is little prospect for solving the Abkhaz conflict simply by appeasing Moscow. Joining the CIS and allowing Russian military bases on Georgian territory did not, contrary to the hopes and expectations of many Georgians, lead Sukhumi to capitulate to Tbilisi's demands, in part because Moscow has been unwilling to apply full pressure on Abkhazia and in part because Sukhumi is not, in fact, a puppet of Moscow. Instead, Shevardnadze is promoting the Friends of Georgia process, which he hopes will prove more conducive to progress than bilateral talks under Russia's sponsorship. However, despite Shevardnadze's recent appeals for a "Bosnia style" peace enforcement intervention by the Western powers in Abkhazia, the international community is extremely unlikely to enter into such an operation. Shevardnadze doubtless understands this. Instead of peace enforcement, he is hoping the Friends of Georgia process will lead to a political settlement and that a UN- or OSCE-mandated PKF can, presumably with Moscow's blessing, help entrench the peace and implement the provisions of any agreement.

Thus the impasse in Abkhazia is unstable—the risks of new fighting are significant, while the parties to the conflict are under considerable pressure to reach a settlement. If no such agreement is reached in the next several years, Shevardnadze, or possibly some future leader of Georgia, may well eventually

decide to order the Georgian army to occupy Gali or even to take Sukhumi, thereby precipitating another full-scale war.

### ***Karabakh: An Irresistible Force Meets an Immovable Object***

A relatively effective cease-fire has been in effect in Karabakh since May 1994. Early that month, talks between Armenian, Azeri, and Karabakh officials under CIS auspices in Bishkek, Kyrgyzstan, led to the signing of the so-called "Bishkek Protocol," which provided for a cease-fire and the deployment of a CIS PKF. The agreement was viewed at the time as a victory for Russian diplomacy, which as noted earlier was directed at monopolizing peacekeeping operations in the CIS. Moscow's particular concern in Karabakh was to exclude the CSCE from the peace process, or at least significantly limit its role. In early 1992, the CSCE called for the convening of a "Conference on Nagorno Karabakh" to be held in Minsk, Belarus. In addition, it established a group of member-states to organize the event (referred to as "the Minsk Conference). As it became clear that the conference would be more difficult to arrange than expected, the same group of countries renamed themselves the "Minsk Group," a subgroup of which, meeting separately, managed in late 1992 to agree to a methodology for negotiation, on the basis of three documents. The Minsk Group and the Minsk Conference are essentially the same, the only difference being that the three (formerly two) countries that serve as co-chairs have two levels of representation – that is, they are co-chairs of both the Minsk Group and the Minsk Conference. The co-chairs of the Minsk Group are charged with promoting and chairing the actual negotiations. The Conference co-chairs were added when it was decided that the resolution of the conflict in Karabakh should be given a higher priority, and to symbolize this high level of concern, it was decided to designate co-chairs to the Minsk Conference at the level of Deputy Ministers. The first defined the mandate of the Group itself; the second outlined the basic principles for a resolution of the conflict; and the third—the so-called "military-technical" document—addressed the war's immediate consequences, including security issues, and provided for the deployment of a CSCE-mandated observer mission in Karabakh. The understanding at the time was that each issue would be addressed separately and that there would be no general settlement until agreement had been reached on each of the three documents. In early 1993, agreement was reached on the first document. However, Russian efforts to undermine the initiative, the reluctance of other OSCE member-states to provide troops or financing, and an Azeri summer offensive prevented the agreement from being implemented.

When it signed the Bishkek Protocol in early May 1994, Baku had made clear that it did so only on the condition that a cease-fire would be followed by the withdrawal of Karabakh and Armenian forces from districts in Azerbaijan outside Karabakh's borders. It also insisted on a prisoner exchange, the repatriation of DPs, restoration of communications between Azerbaijan and Karabakh, and negotiations on Karabakh's status. Karabakh, on the other hand, made clear that it was not prepared to withdraw from occupied areas prior to an agreement on status because doing so would compromise its security. As a result, while a 90-day cease-fire took effect on 12 May 1994, Azerbaijan refused to sign an agreement that had been drafted by Moscow setting out the terms for the PKF's deployment. And only after considerable diplomatic maneuvering would both sides sign a permanent cease-fire, which finally occurred on 27 July 1994.

Azerbaijan's refusal to sign Moscow's proposal and its delay in signing a formal cease-fire was indicative of a general hardening of Baku's position. Azeri hard-liners opposed any agreement, including a cease-fire, to which the Karabakh Armenians were co-signatories on the grounds that doing so would help legitimate a government that represented only the Karabakh Armenians, not the Karabakh Azeris, who had made up some 25 percent of the republic's population prior to the war. Co-signing an agreement with Stepanakert would also imply that Karabakh was an independent actor and not a mere pawn of the Armenian government, whose involvement in the war was said to account for Azerbaijan's defeat. Baku therefore took the position that the conflict was ultimately an international one between the independent

states of Azerbaijan and Armenia. As a result, while Baku accepted that Stepanakert was a party to the fighting and could thus be involved in negotiations over a cease-fire or certain "military-technical" issues, it could not be a party to negotiations over a final resolution of the conflict and Karabakh's future legal status. Finally, objections were raised to the presence of Russian troops on Azerbaijani territory—Azerbaijan and Uzbekistan are the only CIS member-states to have refused to allow Russian military bases on their territories, and many Azeris feared that a Russian-dominated PKF in Karabakh would open the door to further Russian interference in Azerbaijan's internal affairs.

As a result of these objections, Moscow's hopes for deploying a CIS-mandated PKF of mostly Russian troops under Russian command were never realized, in contrast to Abkhazia. Nevertheless, the 1994 cease-fire has remained in effect, despite occasional artillery duels, sniper fire, and minor border skirmishes. But as in Abkhazia, the cease-fire not only brought an end to the fighting but helped freeze the status quo, in this case entrenching the territorial gains of the victorious Karabakh army. By mid-1994, Karabakh forces controlled almost all of what had been the Nagorno-Karabakh Autonomous Oblast, as well as seven districts of Azerbaijan proper (henceforth, "the occupied districts"), which together represented some 14-15 percent of Azerbaijan's Soviet-era territory. The occupied districts are Agdam, Fizuli, Jibrail, Kelbajar, Kubatly, Lachin, and Zangelan. However, over half of Fizuli district and less than half of Agdam district are not occupied by the Karabakh army. In addition, there were five districts within the Nagorno-Karabakh Autonomous Oblast in the Soviet period: Askeran, Gadрут, Mardakert, Martuni, and Shusha (Shushi). Karabakh forces currently do not control a small amount of territory (approximately 150 square km) in Mardakert and Martuni districts. A small Armenian enclave within the Azerbaijan SSR, Artsvashen, which was located along the Armenian-Azerbaijani border to the north of Karabakh, was occupied by Azerbaijan (as a result of which the Armenians who had lived in the village fled to Armenia), while several Azeri enclave villages, the largest of which were Askipara and Kiarki, to the north of Nakhichevan, were occupied by Armenian forces (which led to the flight of its Azeri inhabitants). It should be noted that Azerbaijani officials and the international media often claim that Karabakh and Armenian forces occupy some 20 percent or more of Azerbaijan's territory, which is incorrect. Of 14.5 percent of the territory of Azerbaijan of the former Azerbaijani SSR currently occupied by Armenian and Karabakh forces, approximately 10 percent lies outside the borders of the former Nagorno-Karabakh Autonomous Oblast. See Arif Yunusov, "Statistics of the Karabakh War," unpublished paper in the author's possession, and Emil Sanamyan, "Conflict Mythology and Azerbaijan," analysis distributed on the GROONG On-line Armenian News Network, 17 September 1997.

Of particular importance to any future political settlement was Stepanakert's control of two districts outside Karabakh, Lachin and Kelbajar, which had separated the former autonomous oblast from Armenia and had been populated mostly by Azeris and Kurds before the war. In addition, the Karabakh army controlled the strategic heights to the south of Stepanakert, including the town of Shusha (Shushi), where again the population had been predominately Azeri before the war. At the same time, however, Shusha had been the traditional capital of Karabakh, and both Azeris and Armenians consider it of cultural and historical significance. Moreover, its location and strength as a fortress make it of great military value, as evidenced by the fact that Azeri forces subjected Stepanakert to sustained shelling from Shusha during the war, thereby forcing the evacuation of much of the city's population. Shusha became the capital of an independent "Azeri" Khanate in 1752 (Azeri in the sense of Muslims who spoke a version of the Turkic language we call Azeri today). In 1988, the population was approximately 90 percent Azeri. However, at the turn of the century the population had been predominately Armenian. Moreover, Shusha, along with Tbilisi (Tiflis), was at one time one of the two main Armenian cities of the Transcaucasus and the center of a self-governing Armenian principality in the 1720s. It therefore contains both Azeri and Armenian cultural monuments, while the surrounding area includes a number of ancient Armenian villages. In addition, Shusha's strategic location makes the Karabakh Armenians reluctant to relinquish control of it even to an international peacekeeping force. Control of Lachin, Shusha, and Kelbajar therefore became a critical issue in negotiations over the conflict's resolution.

While less appalling than in Chechnya, the costs of the Karabakh war, along with related fighting between Azeris and Armenians beginning in early 1988, were substantially greater than those in Abkhazia. Some 15,000-25,000 people were killed and 50,000 were wounded, while many towns and villages in the region were completely destroyed. Yunosov, *op.cit.*, estimates total casualties at 17,000 dead (11,000 Azeris and 6,000 Armenians) and 50,000 wounded (30,000 Azeris and 20,000 Armenians). In addition, Armenia suffered acutely from an economic blockade imposed by Azerbaijan and later Turkey. Azerbaijan imposed a blockade on Karabakh beginning in 1988. It also blockaded Armenia intermittently that year, and permanently from 1989 on. Turkey allowed some humanitarian aid to pass through its territory to Armenia in winter 1992-1993, but then imposed a full blockade beginning in April 1993. Armenia's ties to the outside world, and particularly to Russia, were also affected by the interruption of railway service to Russia through Abkhazia and by the general turmoil in Georgia in 1992-1994. It has also contributed to political instability in Azerbaijan, which has suffered numerous coup attempts and four leadership changes since 1988, and more recently in Armenia as well, where the current president, Levon Ter-Petrossian, won reelection in late 1996 in tainted elections that international observers characterized as "free but not fair" and that were followed by anti-government demonstrations and street violence in Yerevan.

The conflict has also been responsible for the former USSR's largest DP crisis. While figures are controversial, the vast majority of the estimated 345,000 Armenians who lived in Azerbaijan prior to 1988 have fled the country, with some 280,000 of them now in Armenia and Karabakh and another 45,000 in Russia. Among these were Armenians living in two districts in Azerbaijan proper, Shaumian and Getashen, most of whom fled to Karabakh. The Karabakh Armenians argue that the number of DPs from these two districts roughly balances the number of Azeri DPs from Karabakh, and that both sides should accept that repatriation of both populations is impractical. In addition, virtually all of the estimated 185,000 Azeris who lived in Armenia and the estimated 47,000 Azeris who lived in Karabakh (out of a total Karabakh population of approximately 190,000) have fled. The largest number of DPs—over 500,000—come from the occupied districts bordering on Karabakh (most of whom are ethnic Azeris, although some are ethnic Kurds from Lachin and Kelbajar). Not all of these 500,000, however, are still in Azerbaijan—UN officials estimate that the population of Azerbaijan has fallen by approximately one million since 1989, which suggests that many DPs have since left the country. Together with the estimated 48,000 Meskhetian Turk refugees from Central Asia now in Azerbaijan, the DP population in Azerbaijan is therefore estimated at between 600,000 and 800,000 (although government sources claim that there are over one million). The UNHCR estimates the DP population in Azerbaijan at around 670,000. The DPs in both Azerbaijan and Armenia continue to experience extreme hardship, although Armenia has made an effort to integrate its significantly smaller DP population into Armenian society while the Azeri DPs continue to live for the most part in appalling conditions in refugee camps or homes abandoned by Armenians or others.

Between May 1994 and late 1996, international efforts to mediate a settlement to the conflict continued episodically. Nevertheless, no agreement was reached on the withdrawal of Karabakh forces from the occupied territories, repatriation, the deployment of a PKF, or status. Three factors in particular blocked a compromise. First, Baku was unwilling to accept the Karabakh Armenians as a party to negotiations on status, insisting instead that it would negotiate this fundamental question with Yerevan only. Yerevan, on the other hand, argued that the government in Stepanakert was an independent actor not under its control, and that Yerevan could not agree to anything that was unacceptable to Stepanakert. In 1992, the CSCE agreed that "elected representatives" of Karabakh Armenian authorities as well as "other representatives" (by implication, the Karabakh Azeris) would participate in the negotiating process. Nor would the Armenians agree to treat representatives of the Karabakh Azeris as a party to the conflict with equal status to the Karabakh Armenians. Second, Baku insisted that negotiations on status and other issues could begin only after the Karabakh army had withdrawn from the areas beyond Karabakh's borders. Stepanakert, however, refused to give up hard-won territory and undermine its security in the absence of an agreement on status and international security guarantees. Finally, a Vienna-based OSCE High Level Planning Group (HLPG) failed to reach agreement on the composition and command of a PKF. For an overview of the negotiations, see John J. Maresca, "Resolving the Conflict over Nagorno-

Karabakh: Lost Opportunities for International Conflict Resolution,” in Chester A. Crocker and Fen Osler Hampson, with Pamela Aall, eds., *Managing Global Chaos: Sources of and Responses to International Conflict*, US Institute of Peace, Washington, DC: 1996, pp. 255-73. While Baku opposed the deployment of a Russian-dominated PKF, insisting that Russian troops constitute no more than 30 percent of any peacekeeping contingent and that the PKF be answerable to the OSCE and not Moscow, Armenia objected to the inclusion of Turkish troops or the use of military bases in Turkey. The OSCE, on the other hand, refused to deploy either an observer mission or a PKF until a settlement had been reached on force separation and repatriation. Finally, Moscow pressed for a Russian-dominated “separation force” that would be under Moscow’s command and deployed prior to a broad political settlement, as in Abkhazia.

Other factors contributed to the stalemate as well. The Western powers, particularly the United States, were reluctant to become involved in what was seen as a remote and irreconcilable conflict. They also wanted to support Yeltsin in his struggle with the nationalist and communist opposition in Moscow and wished to avoid a confrontation with Moscow over an area that many Russians consider within Moscow’s sphere-of-influence. Finally, the international community was already committed to difficult peacekeeping operations elsewhere, particularly in Bosnia, and had been sobered by the peacekeeping operation in Somalia. As a result, it was initially somewhat sympathetic to Moscow’s demands that Russia be afforded a leading role in conflict mediation in the CIS, including Karabakh. See Maresca, “Resolving the Conflict,” *op.cit.*, p. 264.

In an effort to reconcile Russia’s advocacy of “sphere of influence” peacekeeping in the CIS with the OSCE-led mediation effort, an agreement was reached at a OSCE summit in Budapest on 5 December 1994 to increase Moscow’s weight within the Minsk Group. The Group would henceforth have two chairmen, with Russia being a permanent co-chair. It was also agreed that any future PKF in Karabakh would be a joint OSCE-Russian force operating under a UN mandate. The deployment of a PKF, however, would have to wait for a political settlement, at which point its composition, financing, and chain of command would be determined. Finally, the OSCE expressed its support for UN Security Council Resolutions 822, 853, 874, and 884, which had called for the withdrawal of Karabakh and “local Armenian forces” from the occupied districts and affirmed the territorial integrity of Azerbaijan. While papering over differences between the West and Russia regarding peacekeeping in the CIS, the Budapest summit therefore effectively postponed the deployment of a PKF while relieving pressure on the conflicting parties to reach a settlement.

As a result, negotiations achieved little by late 1996. Instead, both sides dug in along the Line of Contact, improved their defensive positions, and built up their military capabilities. Azerbaijan received significant military support and training from Turkey, signing a military cooperation treaty with Ankara on 5 May 1997. It also reportedly purchased some 150 tanks and 10 warplanes from Ukraine. Nevertheless, morale in Azerbaijan’s armed forces has been poor, its soldiers are paid little if at all, and the government has had difficulty enforcing conscription. Moreover, while President Aliiev had managed to stabilize the country politically, the economy continued to contract, making a sustained commitment to improving Azerbaijani military capability difficult. As a result, Azerbaijan had done little to improve its near-term prospects for resolving the Karabakh conflict by force by late 1996.

Armenia, on the other hand, had moved to cement its already close ties with Russia. Prior to 1997, a series of bilateral agreements provided the legal framework for a Russian military base in Armenia. In addition, Russian officers have helped train the Armenian military, and Russian and Armenian units have conducted regular joint maneuvers. The extent of Russian military support for Armenia was highlighted in early 1997 when Moscow newspapers reported that Russia had delivered some \$1 billion in military hardware, including 84 T-72 tanks, 50 BMP2 armored personnel carriers, 8 SCUD-B ballistic missile launchers, and 32 SCUD-B missiles, to Yerevan despite a Yeltsin directive of September 1993 banning arms sales to either Armenia or Azerbaijan pending a settlement in Karabakh. Azerbaijan’s Foreign Minister, Hasan Hasanov, claimed in September 1997 that the SCUDs were capable of carrying nuclear weapons, a charge subsequently denied by Moscow. Hasanov also asserted that Armenia might use nuclear material from its Medzamor nuclear power station to build a nuclear weapon and that Medzamor

should accordingly be closed down. A Trilateral Commission with Russian, Azerbaijani, and Armenian representatives was supposed to investigate the charges of illegal arms transfers, but it has been ineffective because Armenia has insisted that it investigate weapons transfers to all three Transcaucasian countries, not Armenia alone, a condition that neither Azerbaijan nor Moscow has been willing to accept. Many of the weapons had allegedly been deployed in Karabakh. *Moskovskii Komsomolets*, 14 February 1997. Although an Armenia official denied having received any illegal arms transfers, the Armenian Defense Minister, Vazgen Sarkisian, later boasted that Armenia's defense capability had doubled in the past two years at no cost to the budget. This was followed in September 1997 by the signing of a "Treaty on Friendship, Cooperation and Mutual Assistance" that provides for further military and economic cooperation, including a requirement that each country assist the other in the event of armed aggression by a third party. Also on 1 September, Russia and Armenia agreed to form a joint stock company to build a natural gas pipeline allowing Russia to deliver gas to Armenia and possibly Turkey. Armenia hopes to use Russian natural gas to deliver some three billion kilowatts of energy to Turkey per annum. Moscow is also considering a new \$42.7 million loan to Armenia to help finance Armenia's troubled Medzamor nuclear power plant, in exchange for which Moscow will receive additional shares in the power plant and possible shares of other Armenia enterprises as well. Baku has claimed that the treaty represents a full-blown military alliance that requires Russia to intervene on Armenia's behalf should Baku try to take Karabakh by force. While Moscow has denied this, the treaty will deter the Azeris from undertaking any military operations inside Armenia should they decide to attack Karabakh. On 17 September, Primakov issued the following statement: "I am authorized by Russian President Boris Yeltsin to state that the Treaty of the Russian Federation with Armenia is in no way targeted against Azerbaijan and will never be used in favor of those who are speaking against its territorial integrity. (*ITAR-TASS*, 17 September 1997).

Karabakh, too, used the cease-fire to improve its military capabilities. In contrast to Chechnya and Abkhazia, Stepanakert has managed to maintain a high degree of internal order, to the point where its economy has reportedly begun to improve. Militarily, Karabakh forces control most of the strategic heights along the Line of Contact, and they have fortified their defensive positions and mined and concentrated artillery fire along possible routes for an Azeri offensive. The republic's popular president, Robert Kocharian, was reelected in November 1996, despite international concerns that the election would destabilize the region. And unlike Abkhazia and Chechnya, which have received little support from the outside world since the fighting has ended in each republic, Karabakh has received extensive material and political support from Armenia, and through Armenia, from the relatively wealthy Armenian Diaspora in the West and Middle East.

Of particular importance to Karabakh's improved internal condition was the expansion of the small and tortuous road between Karabakh and Armenia through the so-called Lachin corridor. Financed largely by Armenian-Americans, the road passes from Stepanakert through Shusha, and then for some 15 km through Lachin district and on to the Armenian town of Goris. While the project is not yet completed, heavy trucks now use the road to bring goods, including food, fuel, and military equipment, to Karabakh from Armenia, Iran, and elsewhere.

Ties between Karabakh and Armenia are not limited to trade, however. There are virtually no border controls along the Lachin road except for a tiny "customs station" that does little except check the documents of Iranian truck drivers on their way to Stepanakert. The Armenian dram is the sole legal tender in Karabakh, while Karabakh Armenians use Armenian passports when traveling abroad. Nor do they need visas to cross the border, just as Armenians do not need visas to visit Karabakh. The extent of the semi-union between Karabakh and Armenia was highlighted in March 1997 when Ter-Petrosian appointed Robert Kocharian, Karabakh's president, to be Armenia's new prime minister. Despite his appointment, Kocharian retained his Karabakh "citizenship" and returned to the republic in September to vote in elections for his successor.

By late 1996, then, little progress had been made toward a settlement despite the best efforts of the Minsk Group and periodic bilateral meetings between Vafa Gulazade, a senior advisor to Aliiev, and his Armenian counterpart, Gerard Libaridian. Guluzade's formal title was "State Advisor for Foreign Policy"

while Libaridian's was "Senior Advisor." The informal talks had begun in late 1995 and were held approximately monthly. While this impasse may have been acceptable to Stepanakert and (less so) to Yerevan, it was not acceptable to Baku. Indeed, like Shevardnadze, Aliev frequently asserted that while Baku would prefer a political solution to the conflict, it would eventually use force to defend its territorial integrity in the absence of a settlement. As Aliev put it in September 1996, "If our lands are not freed, we will have to free them ourselves" ("Presidential Vote Held in Karabakh," *UPI*, 24 November 1996).

While similar threats had been made before, what was different in late 1996 was the intensifying international pressure on the warring parties to reach an agreement. For Moscow, the withdrawal of its troops from Chechnya in mid-1996, Yeltsin's reelection, and Yeltsin's decision to rid his administration of hard-liners in the so-called "party of war" had led to a change of policy towards conflict zones in the former Soviet Union generally and the Caucasus particularly. Yevgenii Primakov, the Russian Foreign Minister and a specialist on the Middle East and former Soviet Union's "southern tier," was engineering a shift in focus for Russian foreign policy from the West toward the south. As a result, Moscow began to abandon its clumsy divide-and-rule tactics of 1993-1994 and committed more unequivocally to the pursuit of regional stabilization and the promotion of Russian economic interests in Caucasus.

At the same time, the international community generally and Russia and the United States particularly were becoming increasingly interested in the Caucasus and the Caspian littoral as the extent of the region's oil and gas reserves became clear. Both US and Russian oil and gas companies were committing huge sums of money to the development of these resources, and renewed fighting over Karabakh seemed likely to sabotage investment projects and complicate plans to build the pipelines needed to bring the Caspian's energy reserves to market. Renewed fighting might even lead to a full-blown showdown between Azerbaijan and Armenia (Armenia's involvement in the fighting during 1992-1994 had been substantial but covert), in which case Karabakh and Armenian forces might carry the war even deeper into Azerbaijani territory, threatening Gyandzha (Azerbaijan's second largest city which lies only 30-40 km to the north of the Line of Contact) or even Baku. Nor could attacks by Armenian and Karabakh forces on Azeri oil production facilities and pipelines be ruled out. At the least, renewed fighting could lead to renewed political chaos in Baku. As a result, Moscow and Washington decided in late 1996 that the time had come to launch a diplomatic offensive to promote a settlement in Karabakh.

Baku, too, had come to the conclusion that it needed to switch tactics. Apparently convinced that Ter-Petrossian had been weakened by his disputed election victory in late 1996 and that the international community was now more sympathetic to its position on Karabakh, Baku decided to abandon the quiet diplomacy being carried out by Guluzade and Libaridian. Instead, it managed to convince the Minsk Group co-chairs to submit a proposal establishing a broad framework for a settlement to the OSCE at its Lisbon summit scheduled for early December 1996. The proposal was based on three broad principles: the preservation of Azerbaijan's and Armenia's territorial integrity; the realization of the right of the Karabakh people to self-determination through the provision of the "highest degree" of autonomy within Azerbaijan; and security guarantees for all parties.

Armenia, however, proved unwilling to accept the proposal, particularly the language on the preservation of Azerbaijan's territorial integrity. Doing so, they argued, would pre-determine Karabakh's status even before negotiations had begun. Moreover, they argued that it constituted an OSCE effort to impose a solution on Karabakh, which was not even represented at Lisbon. Yerevan therefore vetoed the inclusion of the principles in the summit's final communiqué. Instead, under a US-sponsored compromise, the proposal was read as a "Chair-in-office" statement that affirmed all three of the principles entailed in the proposal, including the provision that Karabakh should have the "highest degree" of autonomy *within* Azerbaijan. The Chair also affirmed that the statement had been approved by all member-states except Armenia.

Predictably, the Armenians were furious at the summit's outcome. They were convinced that Baku was using its oil weapon to force the West, and particularly the United States, to take Baku's side, and that as a result Armenia and Karabakh were becoming increasingly isolated. They also felt they had been blind-

sided by the rapid change in tactics in Baku and by the Minsk Group's willingness to succumb to Azeri pressure. Accordingly, Ter-Petrosian promptly issued a formal objection to the statement, Karabakh's parliament threatened to withdraw from the Minsk process, and Libaridian announced that he would no longer engage in bilateral meetings with Guluzade unless representatives from Karabakh were present. Guluzade responded that Baku would reject any direct talks with the Karabakh Armenians until Stepanakert formally accepted the principles outlined in the Lisbon statement.

Although the Armenians asserted that the Lisbon statement had set back the peace process, the OSCE nevertheless continued its diplomatic offensive into the new year. When Baku objected to France succeeding Finland as the new co-chair of the Minsk Group in January (Baku considers both Russia and France to be traditional allies of Armenia), and after Washington indicated that it was now interested in the position, it was agreed that the United States would join Russia and France as the Group's third chair. The three co-chairs then met in Copenhagen in late February and decided to send a French fact-finding mission to the region. In late March, the co-chairs reconvened in Paris and announced that they had agreed to "a common approach" to a new round of negotiations that would begin in April with a visit to the region by the co-chairs.

The April round took place as planned but did not lead to a substantive breakthrough. Instead, tensions mounted as a series of military clashes broke out along the Line of the Contact. In addition, the appointment of Kocharian as Armenia's Prime Minister was vigorously objected to by Baku, as were the reports of Russian arms transfers to Armenia in 1995-1996. Baku responded by asserting Russia that could no longer be an impartial mediator, that the terms of the 1994 cease-fire had been broken, and that Armenia was now in violation of the CFE treaty. Adding to tensions was a speech by Kocharian before the Armenian parliament, his first as Armenia's new Prime Minister, in which he suggested that Armenia give serious consideration to annexing Karabakh, a statement that Azerbaijan's Foreign Minister claimed was confirmation that "Armenia is waging war on Azerbaijan."

Amidst these rising tensions, an-OSCE delegation that included US Deputy Secretary of State Strobe Talbott and his Russian and French counterparts arrived in the region at the end of May to present a proposal for a resolution of the conflict. Clinton named Strobe Talbott as the US representative and co-chair of the Minsk Conference in early 1996, thereby reaffirming the US interest in mediating a settlement over Karabakh. The US co-chair of the Minsk Group at the time, Joe Pressel, was replaced by Lynne Pascoe in late 1997. While the exact wording of the plan was not made public, it reportedly consisted of two parts, the first of which dealt with the conflict's immediate "consequential issues" and the second with status. The first part of the proposal provided for Karabakh's withdrawal from all the occupied districts (that is, including Lachin), and a OSCE-mandated PKF that would patrol a buffer zone separating the two armies. The PKF was reportedly to have consisted of Russian, US, and French troops, although it is doubtful that the US Congress would have agreed to send US troops to Karabakh given Congressional concerns about an extension of US participation in the NATO peacekeeping force in Bosnia. The PKF's mandate would last for a year and then be renewable. The Lachin corridor would be leased from Azerbaijan by the OSCE, which would in turn lease it to Karabakh. The PKF would be responsible for keeping the Lachin corridor open to traffic between Armenia and Karabakh, although juridically the district would be part of Azerbaijan proper, not Karabakh. Azeri DPs would be repatriated in the occupied districts. Finally, the blockade of Armenia by Azerbaijan (and presumably by Turkey as well—Turkey indicated its approval of the plan on 2 June) would be lifted. As for status, the second part of the proposal provided that Azerbaijan's territorial integrity would be formally preserved but that Karabakh would become fully self-governing and a free economic zone with a right to its own currency, government budget, and tax-raising powers. It would also be allowed to keep its own "national guard" and police force, but at the "minimum necessary level." Finally, it was to be a "multinational" society, thereby implying that Azeris would eventually be repatriated to Shusha and other parts of Karabakh. The proposal is summarized in "Po Proektu Sopredsedatelei Minskoi Gruppy Karabakhu Otvoditsia Rol' Mnogoetnicheskoi Avtonomii s Natsional'noi Gvardiei [According to the Proposal of the Minsk Group Co-chairs Karabakh will be an Multiethnic Autonomous Area with a National Guard]," *Noyan Tapan*, 16 June 1997.

The intent of the Minsk co-chairs was not that the proposal be immediately accepted as a rigid blueprint for a final settlement—rather, it was to serve as “the basis for negotiations.” Negotiations on both parts of the proposal would proceed simultaneously, and while it was assumed that an agreement on consequential issues would likely precede agreement on status, agreement and implementation in one forum was not contingent upon an agreement in the other. The proposal was therefore neither strictly a step-by-step nor a package one—rather, it left both possibilities open.

While Azeri officials had some objections (in particular, they wanted explicit jurisdiction over the towns of Lachin and Susha), Baku was generally pleased by the proposal. Personal interview, Vafa Guluzade, State Advisor for Foreign Policy, Baku, 6 June 1997. Yerevan was less so, although it indicated that it was willing to accept it as a basis for negotiation with “serious reservations.” Personal interview, Gerard Libaridian, former Senior Advisor to President Levon Ter-Petrossian, Cambridge, MA, 4 December 1997. Stepanakert, however, made clear that it would not withdraw from Lachin nor agree to repatriation in the absence of ironclad security guarantees from the international community, including Armenia. Neither would it accept any preconditions, particularly the preservation of Karabakh’s territorial integrity, before entering into negotiations over status.

After the extent of Karabakh’s objections to the May proposal were made clear, the co-chairs returned to the region in July with a modified version of the May proposal. This time, however, the co-chairs proposed a step-by-step, or “staged,” approach that would address consequential issues first and leave negotiations over status to the future. At Yerevan’s suggestion, they also removed the question of Lachin from the consequential issues stage and placed instead on the agenda for the second-stage negotiations. In addition, repatriation of Azeri DPs within Karabakh (including Shusha) and Lachin, and Armenian repatriation in Shaumian or other neighboring districts in Azerbaijan, would be left to the second-stage. The first-stage negotiations would thus address the withdrawal of Karabakh forces from the six occupied districts other than Lachin; repatriation within these six districts; the deployment of a PKF to separate the two armies, and the lifting of the blockade. Meanwhile, Lachin would remain under Karabakh’s control, while Karabakh would retain full control of its existing armed forces.

While the Azeri, Armenian, and Karabakh governments were digesting this new plan, Karabakh became a subject of discussion at the Denver Summit of 21-22 June. Clinton, Yeltsin, and French President Jacques Chirac, the heads of state of the Minsk Group’s co-chairs, took the opportunity to issue a joint statement calling for a resolution of the conflict while “taking into consideration the interests and concerns of all parties.” The next week, Aliev arrived in Washington for his first official visit to the United States. In yet another sign of the growing US interest in the Caspian’s oil and gas reserves, he and Clinton signed a “Joint Statement on US-Azerbaijani Relations” and a “US-Azerbaijani Bilateral Investment Treaty.” Aliev and Vice President Gore then presided over the signing of a series of oil contracts between SOCAR, the state-owned oil company, and Exxon, Mobil, Chevron, and Amoco. White House Press Release, 1 August 1997. Finally, Aliev used the opportunity to announce an important concession regarding Karabakh. Whereas previously Baku had insisted that Karabakh withdraw from all seven occupied districts simultaneously, Aliev stated that Baku was now willing to consider a first-stage agreement that would allow Karabakh to retain control of Lachin.

Further developments in the peace process had to await the outcome of presidential elections in Karabakh on 1 September. Arkadii Ghukasian, Karabakh’s Foreign Minister since 1993, was elected with 89.3 percent of the vote. Like the other two candidates, Ghukasian had promised during the election campaign that he would doggedly defend Karabakh’s sovereignty and enhance the republic’s security. He also announced a week before the election that Stepanakert’s leadership had decided to reject the Minsk Group proposal. As he explained the day after the election, “It is unacceptable for Nagorno-Karabakh to discuss a status within Azerbaijan. Nagorno-Karabakh will never accept that.” Nevertheless, he called for direct talks with Baku and argued that the Minsk process might “provide a new impetus to the peace process.” *Agence France Press*, 2 September 1997.

Ghukasian's position was made clearer in an interview published in *Nezavisimaia gazeta* on 10 September. Although autonomy within Azerbaijan was unacceptable, he asserted that Karabakh might accept "a sort of abridged statehood" based on a horizontal relationship with Azerbaijan, which he described as "something similar to a confederation." He was thus suggesting an arrangement similar to the confederal plan advocated by the Abkhaz. The Chechens, however, have never indicated that they would be willing to accept anything less than full independence since the end of the war. He also suggested that the arrangement could include a single all-union parliament "to coordinate our activities" in areas such as ecology, energy supply, communications, and financial and economic issues. Finally, he indicated that some of these responsibilities might be delegated to Azerbaijan alone. However, a "vertical relationship" in which Stepanakert would be subordinated to Baku would never be accepted. And neither would Stepanakert accept a step-by-step approach that required it to withdraw from strategically important areas prior to an agreement on status.

Diplomatic efforts to broker an agreement resumed in the wake of the elections. On 20-22 September, the Minsk Group co-chairs returned to the region and met with officials in Baku, Yerevan, and Stepanakert. They presented a slightly modified version of the May proposal, this time placing all security issues, including the right of Armenia to intervene on Karabakh's behalf in the event of an Azerbaijani invasion, in the first stage in an effort to allay Stepanakert's security concerns. Again, the delegation reported that Aliev had endorsed the Minsk proposal and that Yerevan had agreed that the proposal could serve as the basis for negotiation. Stepanakert, however, demurred.

Armenia's position on the Minsk process was clarified by Ter-Petrossian at an important press conference on 26 September, reportedly his first in five years. After expressing his support for a staged settlement, he argued that the coming month would be critical to the peace process and that "unilateral demands" for Karabakh's secession would never be accepted by the international community. He also asserted that a settlement in Karabakh was essential for Armenia's prosperity: "As long as the Nagorno-Karabakh problem remains unresolved, Armenia cannot return to normality and live like any other European country." Accordingly, Armenia must seek a settlement to the conflict on the basis of "serious mutual concessions." *Agence France Press*, 26 September 1997. I should note that Ter-Petrossian was not really articulating a new position—rather, he was making his previously expressed position explicit at a crucial moment, which accounts for the controversy his comments generated in Yerevan.

Two weeks later, Ter-Petrossian and Aliev attended a Council of Europe summit in Strasbourg. Addressing the assembled heads of state, Ter-Petrossian reiterated his government's commitment to a peaceful resolution of the conflict, while Aliev claimed that Azerbaijan hoped to establish "firm and long-lasting relations with Armenia." In a face-to-face meeting, Aliev and Ter-Petrossian reportedly agreed to the terms of the Minsk Group's first-stage provisions, after which they issued a joint statement calling for a new round of negotiations in which all parties to the conflict, including Stepanakert, would participate. Exactly what the two presidents agreed to at Strasbourg has not been made public, although reports in the Armenian press claim that Ter-Petrossian in effect agreed to the Lisbon principles in violation of a 8 July 1992 resolution of the Armenian parliament prohibiting the Armenian government from signing any document that refers to Karabakh as a part of Azerbaijan. See "Sersbka Krajina, Nagorno Karabakh: Similarities and Differences," Daniel Petrosyan, *Noyan Tapan Weekly Highlights*, nos. 44 and 45, 1997. Yeltsin and Chirac, who were also in Strasbourg for the summit, then publicly invited Ter-Petrossian and Aliev to Moscow for talks under their auspices. While Yeltsin added that the United States would be welcome to participate, clearly there had been no prior agreement that Clinton would attend, and neither was there any likelihood that he would be willing to do so. Nor did Yeltsin specifically invite Ghukasian to Moscow, despite a Aliev and Ter-Petrossian statement that the next round of talks should include representatives from all parties. Emil Danielyan and Liz Fuller, "Is Yeltsin's Proposed Karabakh Summit A Non-Starter?," *RFE/RL Report*, Endnote, vol. 1, no. 140, 16 October 1997. As it turned out, however, there was no follow-up to the proposed meeting – i.e., no formal invitations were issued.

The Yeltsin and Chirac invitation suggested that divisions were emerging once again inside the Minsk Group. Russian complaints about the excessive influence of the United States in the international arena

generally and its involvement in the Caucasus particularly had been increasing over the summer. In August, Yeltsin has asserted that "the Americans already are starting to infiltrate [the Caucasus], openly calling it a zone of their interests," while Primakov, in a September address to the UN General Assembly, argued that no single country can be responsible for settling all conflicts, an obvious reference to the United States. Concerns in Moscow about US activities in the region were aggravated in September when 500 US troops participated in military exercises in Kazakhstan, together with military personnel from Kazakhstan, Kyrgyzstan, Uzbekistan, Russia, and Turkey. The NATO-sponsored exercises, called Centrazbat, included a second stage help in Uzbekistan, with participation of troops from Georgia and Latvia but no US troops.

Moscow's response has been to move closer to Paris, which like most US allies has been angered by extra-territorial legislation coming out of Washington, particularly the 1996 Iran-Libya Sanctions Act that called for sanctions against non-US companies that invested more than \$40 million in the oil and gas sectors of Iran or Libya. Tensions between Washington and Moscow-Paris came to a head in September 1997 when France's Total, Russia's Gazprom, and Malaysia's Petronas signed a two billion dollar natural gas contract with Iran, and by reports that Washington was considering imposing sanctions on the three firms.

Whether the Yeltsin-Chirac statement in Strasbourg indicates a significant shift in Russian or French policy toward the Minsk process remains to be seen. Russia may be concerned about US involvement in the region, but it also has an interest in cooperating with Washington to stabilize the region. Indeed, Primakov singled out the joint efforts of Russia, France, and the United States in the Minsk Group for praise in his September speech to the United Nations, while US officials reported late last year that Moscow was continuing to take a constructive approach to the Minsk process.

Indeed, Washington remained optimistic about the possibility of an agreement to begin first-stage negotiations by the end of the year. Undersecretary of State Stuart Eizenstat was particularly frank about US expectations of a settlement in his testimony before Congress on 23 October (*Reuters*, 24 October 1997). Unfortunately, these expectations proved unwarranted. Stepanakert remained adamant in rejecting the Minsk Group plan, again making clear its objections during a meeting with the Group's co-chairs in Stepanakert on 3-4 December 1997. Karabakh has continued to insist on either a comprehensive settlement or a staged agreement that would address status first, determine borders second, and provide for a troop withdrawal third. It also wants to be recognized as a party to the conflict throughout the negotiating process—that is, even after a possible first stage agreement. Finally, it insists that negotiations begin between Baku and Stepanakert without preconditions, particularly ones that would predetermine the republic's status.

As a result, the OSCE was unable to announce a breakthrough at its foreign ministers meeting in Copenhagen on 18-19 December 1997. Neither did it reaffirm the 1996 Lisbon declaration, as Baku had hoped, or rescind it, as Yerevan and Stepanakert had hoped. Finally, it denied Karabakh's request that it be recognized as a permanent party in the negotiating process. Baku and Yerevan expressed their satisfaction with the results of the meeting. Stepanakert, however, complained that it had done nothing to reinvigorate the peace process.

By the end of 1997, then, the negotiations therefore seemed to have reached an impasse once again. It was clear that Karabakh was not prepared to accept the Minsk Group's proposal for a staged settlement. Nevertheless, the pressures on all the parties to the conflict to reach a compromise are formidable and growing.

For Azerbaijan, a first-stage settlement would contribute to the government's efforts to improve Azerbaijan's economy. In the short run, it would lead to the lifting of Section 907 of the US Freedom Support Act, which limits US government-to-government aid to Azerbaijan as long as the blockade remains in place. In addition, shuttle trade with Armenia across the Armenian-Azerbaijani border in the north would likely pick up. Most importantly, foreign investment, including but not only foreign investment

in Azerbaijan's energy sector, would be given a significant boost. Finally, a settlement would improve the prospects for diversifying pipeline routes to bring Azerbaijan's hydrocarbon reserves to the international marketplace.

Popular sentiment within Azerbaijan also seems to be amenable to a compromise. The conflict began earlier than those in Abkhazia and Chechnya, and war weariness has had ample opportunity to set in and temper extremist sentiments. The Azeris have already suffered one military defeat in their effort to preserve Baku's authority over a relatively remote and mostly Armenian-populated area, and they are not anxious to risk more casualties and territorial losses in another round of fighting, at least for now. While the Azeris will continue to reject out-of-hand full independence for Karabakh, they would very likely accept a face-saving arrangement under which Karabakh forces withdrew from the occupied districts, the 500,000 DPs from the occupied territories were allowed to return to their homes, and Azerbaijan preserved its territorial integrity de jure but accorded the Karabakh Armenians self-government in practice.

In addition, Aliev remains firmly in power in Baku and would doubtless be able to push through a settlement within these broad limits if he wished to. He is apparently supported by a substantial majority of Azeris, who are grateful for his ability to restore political order in the country and proud of his considerable political skills. Neither is Aliev particularly scrupulous about defending civil liberties or political rights—indeed, the presidential elections scheduled for October 1998, like the parliamentary elections of 1995, are likely to fall significantly short of “free and fair.” Even though the main opposition parties, Musavat and the People's Front, have condemned the Minsk Group's proposal (as has Aliev's predecessor as president, Abulfaz Elchibey), the political opposition is no position to attack Aliev for his handling of the negotiations, particularly given the 500,000 DPs who wish to return to the homes in the occupied districts and Elchibey's inept handling of the Karabakh crisis while he was president. Finally, although the Azerbaijan constitution provides for a unitary state (Nakhichevan, however, has been granted a special status), Aliev would have little difficulty pushing through a constitutional amendment to accommodate any agreement on Karabakh should it prove necessary.

In contrast, domestic opposition to a compromise over Karabakh within Armenia is a very serious problem for Ter-Petrosian. See Emil Danielyan, “Nagorno-Karabakh: Imminent Breakthrough or Yet Another Stalemate,” *Prism*, The Jamestown Foundation, vol. III, no. 18, part 3. The Armenian president's political position was already significantly weakened by his tainted reelection victory, and his political opponents have begun to attack him for showing “weakness” toward Baku. Vazgen Manukian, who ran against Ter-Petrosian in 1996 and might have beaten him in a fair election, went so far as to charge Ter-Petrosian with “capitulation” and “treason” after the latter's conciliatory statements during his 26 September press conference. Of the major political parties in Armenia, only the ruling Hanrapetutyun bloc that backs Ter-Petrosian has expressed support for the president's Karabakh policy, while street demonstrations protesting the Minsk process and Ter-Petrosian's policies have become a regular event in Yerevan.

Even more disconcerting for the president is significant opposition to his Karabakh policy from within his own administration. Armenia's Defense Minister, Vazgen Sarkisian, has called on Armenians to “fight our last war to the finish” and asserted that a withdrawal from Shusha, Lachin, and Kelbajar districts is impossible under any circumstance, even if Karabakh's independence were accepted by Baku. Armenia's Interior and National Security Minister, Serzh Sarkisian, likewise opposes a compromise with Baku and has called for the permanent annexation of some Azerbaijan territories. *Aravot* (Yerevan) carried by *Noyan-Tapan*, 27 October 1997. Most importantly, Prime Minister Kocharian, who remains extremely popular in both Karabakh and Armenia, has repeatedly expressed his reservations about the Minsk process, stating in early October that he did not “intend to give Karabakh away to anybody” and that Armenia would fight for Karabakh to the end. He has also rejected Ter-Petrosian's claim that economic prosperity for Armenia was impossible in the absence of a Karabakh settlement, and has asserted, “No decision adopted in Armenia will be implemented without Karabakh's consent, irrespective of who is in power in Yerevan.” Quoted in *Monitor*, vol. III, no. 201, 28 October 1997. Finally, he has

expressed his opposition to a staged settlement and, like Ghukasian, has rejected any kind of “vertical” arrangement that would subordinate Stepanakert to Baku.

The deepening rift between Stepanakert and Yerevan on the one hand, and between Ter-Petrosian and Kocharian on the other, came to head at a meeting of Armenia’s Security Council on 7-8 January 1998. The meeting was attended by Ghukasian and other members of the Karabakh leadership. During the two-days of heated discussions, Kocharian and the two Sarkisians reportedly sided openly with Ghukasian and his colleagues in rejecting the Minsk proposal. *Monitor*, vol. IV, no. 9, 15 January 1998. Given the rift between the president and his prime minister, it is possible that either Ter-Petrosian or Kocharian will be forced to resign. Indeed, the Armenia press began to refer to a “diarchy” of power and “dual sovereignty” in Yerevan. Some two weeks later, three senior Armenian officials—the head of the presidential security guard, the commander of Armenia’s Interior Ministry troops, and a senior member of the ruling Armenian Pan-National Movement (the dominant party in the majority Hanrapetutyun bloc in Parliament), all supporters of Ter-Petrosian—were the victims of assassination attempts in which two of the three were wounded. These incidents, along with Ter-Petrosian’s political weakness and the breadth of the opposition to the Minsk proposal, has led to speculation in Yerevan about a possible coup attempt. See, for example, David Petrosyan, “Lisbon, Copenhagen Outcomes as a Prologue to Resumption of War in Karabakh,” *Noyan Tapan Highlights*, vol. 1- 2, no. 198-99, 1998, distributed on the GROONG On-line Armenian News Network, 20 January 1998. Of particular concern is the fact that not only Prime Minister Kocharian but also the heads of the “power” ministries (defense and interior/security), “Yerkrepah” (a paramilitary force made up of veterans of the Karabakh war, which is represented by an important faction in Parliament with the same name), and virtually all opposition parties have come out against Ter-Petrosian’s course.

Whether Kocharian, whose support would be critical to a coup attempt, is prepared to take such a drastic step remains to be seen. He is, however, a careful and astute politician who doubtless realizes that ousting Ter-Petrosian would greatly complicate Armenia’s relations with the United States and other Western powers. Moreover, Ter-Petrosian has so far refused to demand Kocharian’s resignation. As a result, some Armenians, and even more Azeris, have concluded that Ter-Petrosian’s conciliatory position is disingenuous and is directed primarily at relieving international pressure on Yerevan. By this reasoning, a specious demonstration of flexibility on Yerevan’s part will force the Minsk Group and Baku to realize that Stepanakert, not Yerevan, is the key interlocutor in the peace process, and accordingly they will pay more attention to its security concerns and proposals for a confederal solution on status.

However, this interpretation neglects the very considerable pressure that Ter-Petrosian is under to reach a settlement. It has become increasingly clear that Armenia’s poor relations with its neighbors and its inaccessibility to international markets have been major impediments to improved economic performance. While Armenia’s peak-to-trough decline in output was substantially greater than Azerbaijan’s, it began to recover earlier (indeed, it was the first CIS economy to do so after the Soviet collapse), growing at a rate of 5-7 percent per annum in 1994-1996. See the interview with Andrei Illarionov, “Blockade has Some Positive Effects,” *Noyan Tapan*, 28 August 1997. However, Armenia’s GDP grew by only 1.4 percent in the first six months of 1997, down from 5.8 percent in 1996, while its annualized inflation rate rose from 5.7 percent to 16 percent and exports shrank by some 30 percent.

This slowdown augurs poorly for an economy that has yet to return to 1989 levels of output, particularly given the government’s earlier success in reducing inflation and privatizing most of agriculture and much of industry. Moreover, Armenia is the third-largest per capita recipient of US foreign aid (after Israel and Egypt) in the world. To grow more robustly, Armenia will need not only continued aid from Washington but also, even more importantly, foreign capital. However, its limited natural endowments make foreign investment particularly dependent upon domestic stability, a favorable legal regime, and a settlement over Karabakh. Armenia has high hopes, however, for exploratory drilling that is now underway in the country. (Talk by Vazgan Oskanian, “Oil: Stabilizing or Destabilizing Factor in the Caucasus,” UC Berkeley, 13 November 1997.) Under the best of circumstances, however, it will be years before oil or gas production within Armenia significantly reduces Armenia’s dependency on energy imports. Given its small size and

educated and industrious labor force, robust growth will require an export-oriented and skill-intensive development strategy, which in turns requires inexpensive access to the international marketplace. This, however, will be extremely difficult to achieve as long as the Turkish and Azerbaijan embargoes remain in place, particularly given US efforts to isolate Iran. Above all, Armenia needs its border with Turkey to open up so that trade can increase with the large and relatively developed Turkish economy, the Middle East, and Eastern Europe. All of this—continued aid from Washington, foreign investment, and improved access to the international marketplace—is hostage to a resolution of the Karabakh conflict, as Ter-Petrosian suggested during his 26 September press conference and in a follow-on article in *Hayastani Hanrapetutyun* on 1 November 1997. "Armenian President Addresses Issue of Gharabagh," *Aragil Events of the Week*, 28 October-3 November 1997, distributed on the GROONG On-Line Armenian News Network, 3 November 1997.

Armenia's long-term security is also threatened by a continuation of the impasse over Karabakh. Support for Armenia from the international community may well deteriorate in the coming years. Iran is currently the only neighboring country with which Armenia has both reasonably good relations and significant trade. While inter-governmental relations between Armenia and Georgia are good, there are considerable tensions between Armenians and Georgians. This, plus poor roads, the interruption of railroad service, and the poor state of both economies, has contributed to the relatively low level of trade between the two countries, although trade between the two countries has been growing. Iran, however, can provide Armenia with limited diplomatic, financial, or military support, in part because closer ties with Teheran would give offense to Washington. Since gaining its independence, Armenia has relied primarily on Russia and the United States to be its international benefactors. However, this awkward collection of friends—Iran, Russia, and the United States—is unlikely to last given Moscow's and Washington's interest in Azerbaijan's energy reserves and Washington's hostility to Iran. Nor can Yerevan continue to count on unqualified support from Moscow, which already has been trying to improve its relations with Baku and has repeatedly expressed its unequivocal support for the preservation of Azerbaijan's territorial integrity. After Yeltsin reiterated Russia's commitment to the existing borders of the successor states at the CIS summit of 22-23 October, Ter-Petrosian admitted that "we have no illusions in that regard, because Russia could not act differently... it has its own twenty Karabakhs." Finally, the Clinton Administration has made the resolution of the Karabakh conflict a top foreign policy priority. Deputy Secretary of State Strobe Talbott expressed the US position in this regard in a major speech on 22 July 1997 and the Central Asian Institute at the School for Advanced International Studies in Washington as follows: "Conflict resolution must be job one for US policy in the region." See Sonia Winter, "Central Asia: US Says Resolving Conflicts a Top Priority," *RFE/RL*, 22 July 1997, distributed on the GROONG On-line Armenian News Network, 22 July 1997. To this end, it has argued for even-handedness in US relations with Azerbaijan and Armenia, which it feels requires the lifting of Section 907 restrictions on US government-to-government aid to Azerbaijan. To date, Armenia's supporters in Congress have been able to block these plans. However, were Yerevan and/or Stepanakert to prove unreasonably obdurate, pressure to lift Section 907, a move that has been vigorously advocated by the US oil lobby, as well as to reduce aid to Yerevan would increase significantly.

Armenia also has cause to worry about increased Azeri military spending, particularly after oil revenues begin flowing into the country. Already the US Arms Control and Disarmament Agency (ACDA) estimates that Azerbaijan's military expenditures increased by 46 percent between 1992 and 1995. Armenia and Karabakh, on the other hand, are already heavily burdened by their defense expenditures, and this burden is likely to increase if Russia's clandestine arms transfers of 1995-1996 have indeed halted. Finally, the Armenians cannot be confident that the balance of military power is clearly in their favor even today. Azerbaijan has some 87,000 men and women in arms, compared to Armenia's 60,000 and Karabakh's 20,000-25,000. As in Abkhazia, however, Stepanakert could probably mobilize a considerably larger number of reserves in an emergency.

For all these reasons, Ter-Petrosian is under considerable pressure to reach a settlement. Indeed, he may have decided that his political future as well as Armenia's and Karabakh's prosperity and security require a compromise. Nevertheless, his political vulnerability, and the opposition to a compromise from

key members of his administration, makes it unlikely that he will be able to persuade the Armenian political elite or (less clearly) the electorate to accept a negotiated settlement that is rejected by Stepanakert. And even if Yerevan endorses the Minsk Group's proposal, no agreement can be implemented without Stepanakert's support. As a spokesman for the Armenian Foreign Ministry made clear in late October, any first-stage agreement will therefore require Stepanakert's approval.

Stepanakert, however, has officially rejected the Minsk Group proposal and continues to express its preference for a package rather than a staged settlement. A phased agreement, it argues, would force it to withdraw from the occupied districts without guaranteeing that Baku would not later launch an offensive to retake Karabakh if it did not get its way on status. As noted earlier, it has also indicated that it could accept a phased settlement in which agreement was reached first on status and then on "consequential issues," a position doubtless intended for public relations purposes given the improbability of an agreement on status before trust is restored by more modest measures. Karabakh is also very reluctant to place its security in the hands of a multilateral PKF, preferring instead that Armenia, and/or possibly some other regional power, act as a guarantor of any settlement, presumably in the form of a commitment to come to the republic's aid in the event of an Azeri attack. It also continues to object vigorously to the Lisbon principles and its "predetermination" of status, and it has indicated that it will not sign any agreement that does not formally retract the Lisbon statement in support of Azerbaijan's territorial integrity. Finally, it has made clear that any first-stage agreement will have to specify not only that Karabakh is an equal party with Azerbaijan and Armenia in the first-stage negotiations, but that it will be an equal party in follow up negotiations over status as well. Talk by Vartan Oskanian, "Oil: Stabilizing or Destablizing Factor in the Caucasus," UC Berkeley, 13 November 1997.

Nor is it clear that Ghukasian could change Karabakh's opposition to the Minsk Group proposal even if he wanted to. Karabakh's political leadership has been remarkably cohesive to date, and it appears to make important decisions collectively, particularly since Kocharian left to become Armenia's Prime Minister. Ghukasian would have to convince his colleagues to accept any compromise. However, other important members of the leadership seem to be even more intransigent than Ghukasian. For example, Karabakh's Defense Minister, Samvel Babaian, argued in an interview in September that the chances of renewed war with Azerbaijan were high and that a new round of fighting would lead to a decisive victory by one side or the other, a statement that was understood in Baku as a threat to carry a new round of fighting even deeper into Azerbaijani territory. Babaian also argued that Azerbaijan would either have to accept defeat or launch an offensive by late 1998 or early 1999 (i.e., after Azerbaijan's presidential elections), and that withdrawing from any of the occupied territories would therefore pose an unacceptable security risk to Karabakh. Finally, he asserted that even if Baku recognized Karabakh's independence, Stepanakert would not withdraw from Lachin and Kelbajar unless all Armenians who fled Azerbaijani after 1988 were allowed to return to their homes. *Noyan Tapan*, 12 September 1997.

Public opinion within Karabakh also appears to be strongly against the Minsk proposal. All three candidates in the recent presidential elections expressed their commitment to Karabakh's independence and security, and all three made clear their opposition to the Minsk plan. Indeed, most Armenians, including those in Karabakh, fear and distrust the Azeris, and they are convinced that were Baku to win control of Karabakh, it would either ethnically cleanse Armenians from the region or discriminate against them and force them to emigrate, just as Baku allegedly drove Armenians out of Nakhichevan in the Soviet period. Complicating the situation further is the fact that Armenian DPs from Azerbaijan, as well as some from Armenia proper in search of housing and land, have been moving into Karabakh and the occupied districts, particularly Lachin and Kelbajar, occupying homes and tilling fields that had belonged to Azeris before the war.

It is therefore very unlikely that the Karabakh Armenians will accept a repatriation program that allows Azeri DPs to return to areas of Karabakh under Stepanakert's control. Neither is it likely that Azeri DPs would be willing to return under those conditions. Presumably the Minsk proposal does not require this. It is possible, however, that Stepanakert could be persuaded to accept a face-saving arrangement that formally preserved Azerbaijan's territorial integrity but left Stepanakert in control of its own military, with

full self-government within Karabakh, and a lifeline to Armenia through the Lachin corridor, as long as there were some kind of international guarantees against an attack by Azerbaijan and as long as Baku had no legal writ in Karabakh territory.

This is what the Minsk Group plan appears to entail, including the deployment of an OSCE-mandated PKF comprised of a multilateral military force, the establishment of a demilitarized or weapons exclusion zone in the occupied districts, an early warning system, and possibly even some kind of security commitment from Armenia. The OSCE is reportedly prepared to dispatch a PKF of some 5,000 troops for at least two years, and possibly longer. The US earlier had indicated that it would help pay for the operation and provide logistical support but not contribute troops, although Ter-Petrosian has claimed that the extent of the US commitment has increased recently. Whether the PKF will include Russian or Turkish troops, and if so how many, may prove controversial if negotiations over a first-stage settlement get underway. The rub, however, is in the details. The Karabakh Armenians have to be convinced not only that they will be protected from an Azerbaijani offensive in the near future, but that a PKF or some alternative security mechanism will remain in place for a substantial period. Moreover, the territory that remains under their control will have to be defensible, which means that Azerbaijani forces will be unable to move into areas, such as Shusha, Lachin, or Kelbajar, that would give them a decisive military advantage in the event of renewed fighting. Above all, the international commitment to keeping Karabakh's link to Armenia open through Lachin and protected from interference from Baku will have to be credible.

This will be a very difficult but perhaps not impossible task. To facilitate the peace process, the US Congress has agreed to set aside \$52.5 million in discretionary spending in its foreign aid bill for the coming year for "transportation, telecommunications, and other infrastructure that promote regional economic integration" in the Caucasus. Azerbaijan will not be eligible for these funds until it lifts its blockade of Armenia. On the other hand, while the Administration was unsuccessful in persuading Congress to remove Section 907 restrictions entirely, Congress did agree to allow the Overseas Private Investment Corporation (OPIC) to provide political risk insurance of up to \$200 million per project to US companies investing in Azerbaijan. In addition, the Trade and Development Agency can now provide up to \$5 million for feasibility studies on economic development in Azerbaijan. Finally, Congress agreed to provide \$12.5 million in humanitarian aid directly to Karabakh (the first time US aid had been specifically earmarked for Karabakh), along with \$87.5 million to Armenia (\$7.5 million less than last year but \$5 million more when combined with the \$12.5 million for Karabakh). Press Release of the Armenian Assembly of America, 28 October 1997, "Nagorno Karabagh to Receive Direct Humanitarian Aid from U.S.," distributed on the GROONG On-line Armenian News Network, 29 October 1997; Press release of the Armenian National Committee of America, 28 October 1997, "Foreign Aid Conference Maintains Section 907," distributed on the GROONG On-line Armenian News Network, 29 October 1997; and Press Release of the Armenian Assembly of American, 26 November 1997, "Clinton Approves Aid for Karabagh," distributed on the GROONG On-line Armenian News Network, 26 November 1997.

Given Stepanakert's rejection of the Minsk proposal in its current form, it seems unlikely that an agreement to negotiate on the basis of the plan will be reached in the near future. Additional steps will have to be taken to alleviate Stepanakert's concerns. Moreover, at some point Baku and Stepanakert will have negotiate directly. It is now perfectly clear that the authorities in Karabakh are not mere puppets of Yerevan and that they are ultimately answerable to the people of Karabakh, who have their own interests and political preferences. Moreover, the political leadership in Stepanakert controls a separate and formidable military force. It is therefore not enough for Yerevan and Baku to come to terms, even assuming Ter-Petrosian could convince the Armenian electorate to accept a deal rejected by Stepanakert (which is very unlikely).

If indeed Stepanakert rejects a first-stage agreement, and if no agreement is reached by the end of 1998, this would be a substantial embarrassment to Washington given its commitment to mediating a settlement. In response, the US might decide to have the conflict taken up by the UN Security Council where Armenia not only does not have the veto it has in the OSCE but is entirely without a voice.

Conceivably, this could lead to sanctions against Armenia, or more likely to a UN-mandated embargo of the Karabakh that Armenia would be required to abide by. In the longer run, the conflict would likely fall into one of two patterns: either a frozen impasse lasting for many years, as in Cyprus, or worse, and more likely, periodic military clashes or even full-scale wars, as in the Arab-Israeli conflict. The risk of renewed fighting in the absence of a settlement will likely increase after Azerbaijan's presidential elections in the fall, and will become particularly acute if either Ter-Petrossian or Aliev leaves or is forced out of office.

### ***Common Patterns and Varying Pressures***

Despite the differences in the risks of war and the opportunities for a settlement between the three cases, there are also a number of common patterns that warrant emphasis. The first is the growing appreciation by the warring parties that outside powers will not solve their problems and that they will ultimately have to come to terms with each other. Immediately after their victories on the battlefield, the separatists in all three cases were unduly optimistic about their prospects for winning diplomatic recognition and formal independence. While these hopes are still prominent in Chechnya, where fighting has ended more recently, even the Chechens are beginning to understand that the international community's default position is overwhelmingly in favor of territorial integrity, not self-determination.

While this may make the secessionists bitter, the international community's position is entirely sensible—there is simply no objective way to determine what groups qualify as “nations” with the right to “self-determination” except in cases where the relationship is clearly colonial—that is, where the citizens (or subjects) of a particular region are not full citizens of the metropole. Nor does the international community wish to create a “moral hazard” whereby the legitimization of secession in certain cases induces others to launch wars of secession elsewhere. And most states, including Russia and even the United States, are fearful of encouraging demands for self-determination and secession within their own borders. Indeed, Turkey, Iraq, or Lebanon, which might otherwise have supported the Abkhaz or the Chechens, or Iran, which might have been a significant ally for the Karabakh Armenians, confront active or potential separatist threats within their own borders and are therefore very reluctant to support secessionists elsewhere.

Nor is there a realistic chance, despite the hopes and efforts of the Chechens, of forming some kind of pan-Caucasian confederation that would allow Azerbaijan and Georgia to accept the loss of sovereignty over Karabakh or Abkhazia. Not only are confederations inherently impractical, but political differences, divergent interests, and enmity between the peoples of the region are far too great for any pan-Caucasian confederation to form, let alone last. Moreover, neither the Azeris nor the Georgians, with whom the Chechens have been hoping to form an alliance, wish to undermine their own territorial integrity or provoke Moscow unnecessarily.

As time passes, it has therefore become increasingly clear neither the international community acting in concert nor any single power acting independently will, or indeed can, be the arbiter of their conflicts. Once they accept this, they have three choices: accept the status quo; try to resolve their differences by force; or negotiate. For the separatists, however, the use of force is not really an option because they already control their territories and are in no position to invade and occupy more territory. The only partial exception is Karabakh, which might be in position to take more Azeri territory, including Gyandzha, as noted above. However, it would not be in Karabakh's interest to occupy additional territory because doing so would only increase its military burden while further outraging the international community, particularly if pipelines were threatened. At the same time, they appreciate that “no peace, no war” is a significant impediment to the normalization of life within their territories—not only does it mean an ongoing risk of renewed fighting, but it makes the already daunting task of economic reconstruction even more difficult. Accordingly, the only way for them to break the impasse is to negotiate a compromise, which leads inevitably to consideration of some form of autonomy.

Although hostile to separatism, the international community is generally supportive of autonomy as a means for reconciling territorial integrity and national self-determination. Essentially, the argument is that autonomy can turn a zero-sum game into a positive-sum game by making possible a wide range of compromises that de jure preserve territorial integrity while allowing self-government for minorities, indeed to the point where the national government has virtually no authority within the area whatsoever. Exactly what form autonomy should take, however, and what groups deserve it, is not specified by those international organizations, such as the Council of Europe, that promote autonomy as a means for resolving secessionist or ameliorating interethnic tensions. In practice, of course, the specific arrangements that are possible and efficacious differ between cases, and ultimately the specifics of any autonomy arrangement is a political, not a normative, question.

Accordingly, the autonomy-based proposals suggested by international organizations or major powers as the basis for the settlement a particular secessionist conflict are intended to contribute to negotiation and not serve as blueprints for a solution imposed from the outside. Of course, resting behind the proposals may be an implicit or explicit threat that should a particular party prove obdurate, it will lose the sympathy of the proposal's sponsors and risk diminished economic, military, or political support or increased support for its opponents. Still, the sponsors make clear that the terms of any final settlement must be decided upon by the contending parties themselves.

Once the parties to the conflict conclude that it is their interest to attempt to negotiate a political settlement, it usually becomes clear that a staged approach is more practicable than a package settlement because coming to an agreement on status is so highly charged and will likely, if tackled immediately, derail the peace process. This is not only because of the many practical problems, including security guarantees, that are inherent in power-sharing arrangements. Equally important are the symbolic implications of status. Those engaged in secessionist conflicts rarely believe that they are fighting for economic benefit—rather, they are usually motivated by deeply-rooted normative beliefs and the conviction that justice is overwhelmingly on their side (the Russians being a partial exception), and the basis for those beliefs are usually twofold. I am not arguing that normative beliefs alone motivate parties to a secessionist conflict—minority fears of assimilation and the destruction of their culture, the fear on the part of the national state that the secession of one region will lead to the secession of others, security concerns, and economic considerations can also be important.

First, both sides assert what amounts to an ownership claim to the disputed territory, a claim that is rooted in history and law. This land, they contend, *belongs* to us, and our enemies are trying to steal it, and indeed they may even try to eliminate us as property claimants through genocide or ethnic cleansing. Both sides usually defend this claim by reference to primary appropriation (we were here first) and specific legal instruments (international treaties, constitutional and statutory law, etc.) or their absence (“we were incorporated into the empire by force”). The more recent and concrete the legal claim, the more vigorously it is asserted. In the post-Soviet case, these claims to ownership were reinforced by the institutional peculiarities of Soviet federalism, which afforded certain (but by no means all) nationalities their own eponymous homeland with well-defined borders and affirmative action programs for the titular nationality. These institutions and the ownership claim they help foster in turn help to explain why the Armenians are fighting over Karabakh, not their traditional heartland in eastern Anatolia, and why the Azeris have taken up arms over Karabakh, not over northern Iran where some 20-25 million Azeris reside. These normative beliefs in turn make it very difficult to compromise over symbolic issues because doing so might be interpreted as undermining their ownership claim, which explains why Moscow and Grozny have found it easier to agree on the need for a “common economic space” and the reconstruction of the Baku-Grozny-Tikhoretsk pipeline than on the seemingly inconsequential issue of what passports Chechens carry when traveling abroad.

Second, combatants on both sides generally believe that their people are a “nation” and deserve to be recognized as such, and that the mark of a “real” nation, at least in the twentieth century, is full independent statehood—only statehood makes it possible to take one’s place at the table beside other “real” nations of world. This argument is elaborated in Ghia Nodia, “Visions and Causes,” op.cit. For

ardent separatists, anything less than recognition by the international community and a seat at the UN is therefore viewed as an insult and an implicit denial of their status as a genuine nation. Ardent defenders of territorial integrity, on the other hand, fight to preserve the borders of their “national state” because their state, like any other hand, supposedly has the right to defend its territorial integrity by force. And again both sides fear that compromise over status will undermine their claim that their nation deserves its own state just like all the other “real” nations in the world.

As a result, if and when both sides finally accept that normalization requires a negotiated settlement, they discover that reaching agreement on status is extremely difficult and that it is usually more productive to pursue a “staged” approach that allows to negotiate initially over force separation, the deployment of a peacekeeping force or international monitors, the establishment of a demilitarized or weapons exclusion zone, the restoration of transportation and communication links, and so on. Staged agreements, however, have problems of their own. In particular, one or both parties may fear that a first-stage settlement will turn out to be the final settlement. The Karabakh Armenians, for example, are very suspicious that a first-stage agreement will force them to make military and territorial concessions that will leave them vulnerable should an agreement on status prove unreachable. The Azeris, on the other hand, are concerned that a first-stage agreement will make it impossible for them to use, or threaten to use, force to compel the Karabakh Armenians to compromise on status in the future. Still, the choice may be between a first-stage agreement and no agreement at all.

To date, the Russians have been the most explicit in embracing a staged approach. The Khasavyurt Accord and the 12 May 1997 Treaty have made it possible to postpone agreement on status, which has meant that Moscow can continue to claim that Chechnya is still a part of the Russian Federation while the Chechens assert that their republic is fully independent. It is important to stress, however, that one of the factors that made this outcome possible was the international community’s clear position that it would refuse to recognize Chechen independence unless Moscow did so first. Had Moscow believed that it needed to demonstrate its effective control over Chechnya or risk international recognition, it would have been more reluctant to withdraw its military or sign a no-use-of-force treaty because they would have feared that doing so would have led the international community to recognize Chechen independence. Those who argue that the May Treaty constitutes de jure Russian recognition of Chechnya and that the international community should therefore afford Chechnya diplomatic recognition should consider the possibility that such a policy might well induce Moscow to attempt to impose its writ by force once again. It would also likely have a deterrent effect on other national governments considering no-use-of-force agreements as a first step toward compromise with separatists.

While the May 1997 Treaty has been touted by Moscow as a model for other settlements (much as Moscow had earlier promoted its power-sharing treaty with Tatarstan as a model of autonomy), it is unlikely to prove an important precedent for Abkhazia or Karabakh. No-use-of-force agreements tend to entrench the status quo, so where one party is highly dissatisfied with the current state of affairs, a no-use-of-force agreement will either not be signed or, if signed, will have little credibility. The Azeris are therefore unlikely, for example, to sign a no-use-of-force agreement even as part of a first-stage settlement. And while Moscow was able to persuade Ardzinba and Shevardnadze to sign the 15 August 1997 agreement, it is not very credible, for three reasons. First, ongoing clashes between Georgian and Abkhaz irregular forces mean that both sides are in a position to accuse the other of having violated the agreement should they wish to abrogate it. Second, the agreement has little status under Georgian law—the Georgian constitution has no provision allowing “treaties” to be signed between the national and regional governments, and indeed regional governments are not recognized by the constitution at all. In contrast, the Russian constitution explicitly allows the national government to enter into “power sharing” treaties with regional governments, and indeed Moscow has done so with 37 of its regions and republics, which means that the 12 May Treaty has the force of law in Russia. Finally, and most importantly, the Georgians are very unhappy with the status quo and thus have substantially greater incentives to reinstate hostilities than the Russians.

While staged agreements may be easier to reach than package settlements, they are not a solution to the other key obstacle to a political settlement in either Abkhazia or Karabakh—displaced persons. It is very difficult for both Tbilisi and Baku to postpone repatriation because of the immediacy of the humanitarian and economic crisis created by the DPs and because of the political influence of the DPs. The DPs also fear that their prospects for returning to their homes or reclaiming their property diminishes over time, which reinforces their unwillingness to be patient. This creates considerable pressure in Azerbaijan to reach a first-stage agreement that allows the 500,000 DPs from the occupied districts to return to their homes. For Georgia, it means that any first-stage agreement will have to provide at the least for repatriation in Gali District, as well as for some kind of partial and/or staged repatriation program for the remainder of the republic.

The DP problem points to the importance of relative size in influencing the prospects for, and character of, a settlement. To begin with, the relative size of the DP population to total population affects the ability of the national government to be patient or to compromise. In Chechnya, the fact that Russian DPs from the republic represent only a small portion of the total Russian electorate means that Yeltsin does not have to accommodate a significant voting bloc demanding repatriation and restitution of property, which makes a continuation of “no peace, no war” more politically acceptable. Likewise, the fact that Russian DPs from Chechnya are relatively dispersed within Russia, which is a huge country that can more easily absorb DPs than Georgia or Azerbaijan, also means that the DPs in Russia have a more difficult time organizing politically. And the fact that Chechnya is tiny compared to the rest of Russia makes it easier for the Russians to accept the loss of Moscow’s sovereignty over the area. None of this is true for Azerbaijan and Georgia, however, where the territories in dispute represent a larger portion of total national territory and the DPs constitute a substantial portion of total population. In Georgia in particular the DPs are concentrated in the capital and are significant and very visible presence.

However, while asymmetries of size may facilitate settlements in certain circumstance, in others it confounds them. Where, for example, the DPs demanding repatriation outnumber the secessionists, it becomes much more difficult for the latter to accept repatriation. It is thus even more difficult for the Abkhaz to agree to the repatriation of Georgians, who outnumbered them so dramatically before the war, than for the Karabakh Armenians to agree to repatriate Azeris (which is difficult enough). So, too, do settlement patterns prior to the war affect the possibility of repatriation. Compact settlements are easier to repatriate than highly mixed settlements, and territorial adjustments are less difficult where compact settlements were located near the border, as generally was the case in Karabakh. In Abkhazia, on the other hand, Georgians were widely dispersed prior to the war (although they were an overwhelming majority in Gali). As a result, while a territorial adjustment involving Gali could make repatriation more palatable to the Abkhaz, it will be very extremely difficult to agree to and implement a repatriation plan that will make the Abkhaz a minority in the republic once again.

Likewise, the character of the fighting during the three secessionists wars affects the relative prospects for, and character of, a peace settlement. In Chechnya, the fighting for the most part did not take the form inter-communal “ethnic” violence between Russians and Chechen civilians living in the republic. Rather, it was between the Chechen resistance and the Russian military, and indeed the great bulk of Russian civilian casualties were caused by Russian artillery fire and aerial bombardment of urban areas, particularly Grozny. Nor did the Chechens attempt to “ethnically cleanse” the republic of Russians. In contrast, there was a great deal of inter-communal violence in Abkhazia and Karabakh, and indeed many atrocities were committed by and against civilians on both sides. This is particularly true in Abkhazia, where the settlement patterns of Abkhaz and Georgians were more mixed than in Karabakh, where Armenians and Azeris tended to live in compact settlements. There is therefore more “ethnic hatred” in Karabakh and Abkhazia than in Chechnya. In the case of Karabakh, this is compounded by the historical enmity between Armenians and Azeris, and Armenian memories of the genocide of 1915 and repression by “Turks” and the Ottoman and Turkish governments. The Russian electorate, in contrast, is both less fearful and less intent on retribution, which has made it easier for Moscow to sign a no-use-of-force agreement and postpone a settlement on status. It would also make it easier for Moscow to recognize

Chechen independence if its political elite could ever reach a consensus that doing so would be in Russia's national interest.

Location and, to a lesser extent, natural endowments, have also been important factors in influencing the prospects for peace settlements in the three cases. However, the reasons for this are more subtle than is often assumed. Indeed, what is striking about all three cases is that the natural endowments of the secessionist areas was extremely limited—only Chechnya has any natural resources to speak of (in this case, oil), but even there, the republic's reserves represent only a tiny portion of Russia's fossil fuel resources. On the other hand, the Caspian's oil and gas reserves have clearly contributed the Minsk Group's interest in promoting a settlement in Karabakh, while the possibility of moving oil through Chechnya may have contributed to Moscow's decision to agree to a military withdrawal in mid-1996. Nevertheless, Caspian oil and gas reserves and the prospect of a pipeline through Armenia have done nothing to change Stepanakert's insistence on its sovereignty, not only because there is no prospect of a major pipeline through Karabakh itself but even more because its leaders are not prepared to risk the republic's security for future (and uncertain) economic gain. Moreover, many officials in Azerbaijan, and to a lesser extent in Georgia as well, are convinced that oil and gas production and pipeline revenues will eventually allow them restore their state's territorial integrity by force, thereby making renewed fighting more likely. In certain respects, then, the region's oil and gas reserves have increased incentives for peace settlements, but in other respects they have increased the likelihood of renewed fighting.

Location and geography have been important for other reasons as well. The fact that all three separatist regions are highly mountainous helps explain the military success of the secessionists and makes national governments more reluctant to use force to reassert their sovereignty. Karabakh's reluctance to withdraw from some of the occupied territories results in part from the fact that the republic is an enclave within Azerbaijan and needs to control Lachin to preserve its link with Armenia. At the same time, the fact that Armenia, Karabakh's principal foreign backer, is only some 30 km away has been an enormous benefit to Stepanakert's military capacity and economic reconstruction. In contrast, Chechnya's relative isolation from the outside world makes it easier for Moscow to accept the current impasse because it knows that the Chechens will have a difficult time rebuilding without Moscow's cooperation. Moscow can therefore hope that the Chechens will eventually agree to some kind of compromise on status. Finally, the fact that Abkhazia borders on Russia and has a Black Sea coastline with excellent ports helps explain Sukhumi's belief that it can be a viable independent state, while it has made it easier for the Abkhaz to receive military support from Russia and from the Abkhaz and Circassian community in Turkey.

Finally, the nature of the regimes of the national states has had an influence on the prospects for peace in the three conflicts. Authoritarian rule and human rights abuses in Azerbaijan, for example, have reinforced the Karabakh Armenians' conviction that the Azeris cannot be trusted and that Baku is not fit to exercise sovereignty over the region. So, too, has Azerbaijan's rejection of federalism and its reputation for denying cultural autonomy or political rights to its other ethnic minorities (regardless of the accuracy of that reputation). Georgia, in contrast, has left open the possibility of establishing itself as an asymmetrical federation. In addition, democracy appears to be consolidating in the country while civil liberties are being reasonably well respected. As a result, it should prove easier for Tbilisi to convince the Abkhaz that its intentions are benign.

## **Conclusion**

Secessionist wars do not end easily. The justice claims and security concerns of the warring parties inevitably make compromise difficult, particularly where the fighting has been extremely destructive of life and property. Where secessionists win control of their territory but fail to occupy the national capital or otherwise force the central authorities to recognize their independence, the result will likely be either an

ongoing war of attrition or a “no peace, no war” impasse that keeps the national government from exercising its authority in the separatist area while preventing normalization of life for the separatists. On the other hand, where the forces of the national government manage to occupy the separatist area, they will likely confront prolonged guerrilla wars or terrorism. In these circumstances, even where national governments prove relatively conciliatory, it will be decades before secessionists reconcile themselves to integration into the national state.

It will therefore be extremely difficult to arrive at stable and comprehensive settlements in Chechnya, Karabakh, and Abkhazia. The best that can reasonably be hoped for are staged agreements in which both sides agree to disagree on status while building trust through limited agreements on specific issues. And even where staged agreements are signed, they will likely be difficult to implement. Nor is there any guarantee that they will be followed by agreements on more fundamental issues.

Western governments and businesses engaged in the Caucasus need to plan accordingly. In particular, it would be a mistake to plan a pipeline system for the region on the assumption that one or more of the these conflicts will be settled in the near future. Likewise, it would be a mistake to assume that oil and gas revenues will necessarily lead to a stable peace, despite earlier talk about the benefits of a “peace pipeline.” With luck and prudent policies from domestic international actors, renewed warfare can be avoided in all three cases. But the prospects for comprehensive and stable settlements in the foreseeable future are bleak, while the risks of renewed fighting, particularly in Abkhazia and Karabakh, are significant and will increase in the absence of progress at the negotiating table.