D.3.5: Final Analysis Report

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D3.5 Final Analysis Report

Introduction

From West Papua to Northern Ireland, Darfur to Kurdistan, conflicts across the world have broken out over issues of territory, identity, power and sovereignty. In some cases governments have tried to mitigate tensions by granting different degrees of sovereignty, introducing varying modes of self-determination or, on the contrary, by limiting autonomy through integration.

In this report we are examining the use of autonomy-based conflict transformation strategies in the conflicts in Bihar, Bosnia, Cyprus, Georgia, Jammu and Kashmir and Northeast India. In particular we are investigating the impact of political, economic and territorial autonomy on socio-economic justice and the resolution or transformation of conflicts. The report engages with three dimensions within the overarching theme: 1) instruments of self-determination and their effect on conflict dynamics, 2) mechanisms of territorial separation and their effectiveness in mitigating tensions, 3) the use of economic policies to grant autonomy or reinforce dependence.

With regard to mechanisms of self-determination we are examining the institutions that have been created to serve conflict parties' demands for autonomy. Here, we are trying to answer the following questions: Have these institutions helped to mitigate conflict dynamics / resistance? Has self-determination helped to achieve greater socio-economic justice? Have new inner-community conflicts broken out as a result of greater autonomy? Moreover, we are investigating whether minority interests have been protected under established autonomy arrangements and whether local perceptions of the central state have changed as a consequence of decentralisation.

Territorial separation has been used as a tool to end ethnic conflicts (such as in Timor-Leste, South Sudan, Cyprus and the Balkans) – but often at the expense of new human rights violations. Hence, in cases in which borders have been drawn to end hostilities, we are looking into their effects in terms of fuelling or mitigating conflict dynamics and their potential to aggravate conflict resolution in the long run. Here, we are asking: How has territorial separation affected elite interests in peace negotiations? Which impact has the separation had on cross-community initiatives of reconciliation at the local level? Have

public attitudes towards the other conflict party mellowed or been reinforced through the separation?

In a more subtle way, economic policies are a commonly used tool to either grant autonomy to breakaway regions or to prevent hostilities by creating vested interests through economic integration. Considering the conflicting effects economic policies may have on conflict dynamics, we are asking: Have development policies sparked new conflicts over land or socio-economic justice? Or have development policies resulted in greater social and economic equality? Has trade integration been used to foster cross-community links? If so: Has this had any effect on people's attitudes towards the conflict?

In the following sections, we will try to answer these questions by looking into the relevance and impact of autonomy arrangements in our project's conflict cases.

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I   Bihar/Jharkhand

By Amit Prakash, Imran Amin and Rukmani, Jawaharlal Nehru University (JNU)

Decentralization is defined as the transfer of powers from central government to lower levels in a political, administrative and territorial hierarchy.[1] It is considered as a tool for promoting development, increasing efficiency, equity, transparency, accountability, representation and democratization. Such devolution of political autonomy is expected to increase the participation of the people at the grass-root level in various governance initiatives including those that have conflict transformation/resolution as their goals. Therefore it is important to look at how political and economic decentralisation affects the prospects of socio-economic justice and conflict transformation/resolution. This chapter look at these decentralising initiatives in the case of Bihar/Jharkhand and delineate the role they have played in the conflict process.

1.1   Self-determination and decentralization

The idea of decentralization is not new for India, and has prevailed since colonial times. It was first introduced in 1882 in the form of Ripon's Resolution which led to the establishment of local self government in rural areas. This was followed by the Royal Commission on Decentralization (1907) which saw it as "most desirable… to associate the people with the local tasks of administration to manage local village affairs".[2] The Montague-Chelmsford reforms of 1919 brought local self-government as a provincial transferred subject, under the domain of Indian Ministers in the provinces. The provincial autonomy under the Government of India Act of 1935 introduced popularly elected

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[1] Crook, R and James Manor (1998). *Democracy and Decentralization in South Asia and West Africa*. Cambridge: Cambridge University Press; Agrawal, A and Jesse C. Ribot (1999). "Accountability in Decentralization: A Framework with South Asian and West African Environmental Cases". *The Journal of Developing Areas*. Vol.33. pp.473-502.

[2] Buch, Nirmala. (2012). "Gram Sabha and Panchyati Raj". *Social Action.* Vol. 62: 2; Chishti, M.A. (2001). *Committees and Commissions in Pre-Independence India: 1836-1947*. Vol. 4: 1903-1912. New Delhi: Mittal Publication.

governments in the provinces and these governments enacted legislations to further democratize institutions of local self-government. [3]

The Indian national movement too had its role in emphasizing the idea of decentralization, through the gandhian principle of decentralization in the form of Village Panchayats. He gave the idea of 'Gram Swaraj' (village self-rule) and sought to make them the very foundation of democracy. However, the dominance of Nehru's vision of modern India through bureaucratic planning within the constituent assembly implied that village Panchayats could find a place only in the Part IV 'Directive Principles of State Policy' (Article 40) of the Constitution of India.

It was not until the failure of ambitious rural development programs of the central government such as the Community Development Program (1952) and the National Extension Service (1953) that the Government of India reconsidered the importance of institutions of local governance. A number of committees and commissions such as the B.R. Mehta Committee (1957),the Ashok Mehta Committee (1977),the L.M. Singhvi Committee (1989) were set up to study the functional necessity for decentralization of administration. However,it was not until the seventy-third constitutional amendment was enacted in 1992 that decentralized local governance became institutionally prominent, with the establishment of three-tier Panchayati Raj Institutions (PRIs). The amendment made it obligatory for all the states to provide for the three-tier panchayati raj system at the village, intermediate and district level.

It was argued that the PRIs would facilitate the access of marginalized communities to the institutions of local governance and their control over developmental resources as well as the processes through which development funds are allocated, contested, and accessed by the poorer sections of the population.[4] However the process of adopting PRI institutions by the various states was very uneven across India. Thus, in

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[3] Buch (2012) "Gram Sabha".

[4] Jayal, N.G.J. , Amit Prakash, and Pradeep K.Sharma (eds.) (2006). *Local Governance in India: Decentralization and Beyond.* New Delhi: Oxford University Press; Kumar, G. (2006). *Local Democracy in India: Interpreting Decentralization*. New Delhi; Sage.

case of the state of Bihar elections for the panchayats were only organized in 2001, when the Patna High Court intervened judicially and ordered the elections to take place.[5] In the state of Jharkhand first panchayat elections took place in the year 2011.

Since the emergence of panchayat as institutions of local governance, in Bihar and Jharkhand, they have become the primary mechanism for overcoming the conflict dynamics. PRIs have helped to mitigate the conflict dynamics as the Gram Panchayats mediates the negotiated solution between the parties involved. In fact, in the studied districts of Bihar and Jharkhand the task of dispute settlement has become the primary task of the panchayats. For example, members of Piri Panchayat of Chatra district in Jharkhand and Navdiha Panchayat of Gaya district said that while the development work for the panchayat representatives is seasonal, dispute settlement has become the more permanent job.[6]

At the same time, the reservation of seats for Scheduled Castes, Scheduled Tribes and Women in the PRIs has allowed for the inclusion of these marginalized sections into the state institutions. This offers the scope for increasing popular representation and participation in and legitimacy of the state. For example, in Bihar and Jharkhand the role of women in the PRI institutions supports the assumption that women are becoming more empowered both in their communities and within the PRI system itself. They are becoming more visible in public life and are increasingly organized in self-help groups (Mahila Samiti).

However, the process of decentralization had mixed outcomes as apart from facilitating the change in conflict dynamics through people's participation, it has remained limited in terms of the devolution of power from the state to local political and administrative institutions. The devolution of power has been achieved only partially because the bureaucracy's control of the use of resources has steadily expanded over

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[5] Jha, M.K. and Pushpendra (2012). *Governing Caste and Managing Conflicts in Bihar: 1992-2011.* Kolkata: Mahanirban Calcutta Research Group; Mohanty, N.R. (2006). *Chronic Poverty and Social Conflict in Bihar.* New Delhi: Indian Institute of Public Administration.
[6] Prakash, A, Imran Amin, Rukmani (2012). *Thematically Arranged Field Work Report on Bihar and Jharkhand.* Unpublished Field Research Report. November, 2012.

time. Similarly, the changes brought about by the power structure of the elected panchayats at the grass root level have especially favoured the upper castes. The reservation of seats in the PRI elections has translated into the tendency of particular caste to dominate the allocation of benefits for governmental welfare schemes.[7]

Further, the PRIs are able to mitigate the conflict dynamics not only because of the role played by gram panchayats (nyayalayas) or reservation of seats but also due to the nexus formed between the PRIs and the Naxals. In many of the panchayats, elections have been held peacefully because the candidates are the members of naxal organization or panchayat elections are completely influenced by the naxalites. For example, the ward member of Serendaag panchayat, Semariya Block, Chatra said, "the elections of nearby panchayat called Lavalong was completely influenced by the naxals especially the TPC as every candidate is a member of TPC, the naxal organization".[8]

PRIs have increased the inclusivity of the policies with effective and transparent verification of the beneficiaries but have not had autonomy in terms of choice of project and the manner in which they are to be implemented. Also, while they are successful in ensuring accountability in governance by panchayat level official, they are ineffective against those higher up in the bureaucracy. Bureaucrats continue to wield decisive authority over the choice of developmental work and beneficiaries, in spite of claims about the decentralization and devolution of substantive power to PRIs. Furthermore, the unelected state officials remain the most powerful actors in local governance and are the final deciding authority for proposing projects and beneficiaries an there is no other authority that can effectively counteract their power. The state officials insist that locally elected representatives follow the exact procedures and guidelines for the utilization of funds, and in the case of any irregularities they have threatened prosecution.[9]

Similarly, with the reservation of seats the visibility of women in public life and political process has increased but in most of the cases it is proxy representation. In many

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[7] Ibid.
[8] Ibid.
[9] Prakash, A and Imran Amin (2012). *Report on Preliminary Field Study of Bihar and Jharkhand*. Unpublished Field Research Report. February 2012.

cases, the husband or a male relative of the female PRI representatives have been exercising executive power in the name of mukhiyapati or pramukhpati, undermining the efficacy of the participative logic of empowerment.

In short, it can be said that the implementation of decentralization offers many opportunities for positive developments. However, whether and which of these opportunities materialize critically depends on the manner in which these institutions are put to practice. Further, the interaction of these institutions with social actors and the level of negotiation in these interactions are critical in shaping their capability to serve as motors of grassroots development and democracy at the lowest level. It is this capability that shapes the people's perception of the state.

1.2   Development policy: autonomy or dependency?

For the Indian state, the naxal conflict is a law and order problem with developmental dimensions as it is assumed that people join and support the naxalites because they are poor and underdeveloped. Thus, the state pursues a 'multi pronged strategy' which employs security forces to fight against and eliminate armed groups; while carrying out development initiatives to address the grievances of marginalized or oppressed communities. So the intervention in the naxal-affected conflict areas of Bihar and Jharkhand is not motivated by granting autonomy to breakaway regions but to integrate them into the mainstream development process. This approach to policy intervention has had an impact on the conflict dynamics. The grassroots level has been crucially affected by the bureaucratic capacity of the state at this level.

In the case of Bihar and Jharkhand, the state's development role is led by the district collector, whose office houses all major departments including police, education, statistics, rural development, panchayati raj, public supply and the latest public information office. The health department, however, is located in the district government hospital and is headed by a civil surgeon. A similar set-up, with departments being merged into health, education and development (which includes everything else), is headed by the BDO at the block level. The police station is generally situated nearby.

However, the real bodies involved in the practice of these policies lies at the village level, mostly run by para statal officials like para-teachers, para-health workers, Panchayat sevak and rozgaar sevak. While the former two head the schools and health centers at block and Panchayat levels, the latter two are associated with the PRI structure which carries out the developmental work.

Development initiatives such as MNREGA, IAY, BRGF, NRHM etc. are able to mitigate the conflict dynamics because they are designed to benefit the marginalized sections of the society. However, as the practice of these policies is embedded in norms of social hierarchy and negotiated interactions, the outcome has not been as expected. Government contracts are being given to close and bribe-paying associates, who are relieved of all accountability. For instance, the local *mukhiya* takes money for verifying any form and takes up to 10,000 rupees for allotting MNREGA wells. One of the villagers was to be given money for *Kanyadaan*, for which the person needed her signature. The mukhiya requested 2,000 rupees for signing off on the claim form.[10]

Furthermore, because violence is used as a means of economic accumulation, developmental activities are also being cancelled or being carried out at a much slower pace and in much inferior quality than originally planned. The naxals uphold a rampant protection racket based on levies demanded from contractors and other development actors. The contractors, on their part finance this levy substantially by paying lower wages to the workers and/or using poor quality material for the projects. In the worst-case scenario, when different factions of naxals are trying to prove their dominance over a certain area, the project is abandoned incomplete, causing further bottlenecks for development. For instance, in the Semariya Block, Chatra district, a road could not be completed because the JPC and TPC are currently fighting for control over the area. This abandoned road construction became a further bottleneck when the health centre in the area could not be completed despite the availability of funds (ibid).

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[10] Prakash, A, Imran Amin, Rukmani (2012). *Thematically Arranged Field Work Report on Bihar and Jharkhand.* Unpublished Field Research Report. November, 2012.

Hence, in general development initiatives are successful at raising the standard of living and improving economic conditions. If political and social grievances are not addressed though, the conflict will remain unresolved. Without addressing underlying social inequalities any approach that tries to promote peace through economic development ignores the ability of developmental activities to sustain conflict, which in turnhampers economic development in Jharkhand.

II Bosnia and Herzegovina (BiH)

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2.1   Political autonomy, self-determination, decentralisation

While many different factors contributed to the conflict, the claims for ethnic self-determination and autonomy were at the very heart of the war in Bosnia and Herzegovina (BiH). These claims were twofold. On the one hand, the majority of Bosniacs and Bosnian Croats were in favour of the country declaring independence from Yugoslavia, after Croatia, Slovenia and Macedonia had already done so, with 99.7% voting in favour of independence in the referendum in February-March 1992.[11] The Bosnian Serbs, on the other hand, preferred staying within Yugoslavia, together with Serbia and Montenegro, as shown by the results of the plebiscite in November 1991.[12] Fearful that they would become a minority in an independent BiH, they boycotted the referendum and on January 9, 1992 the Declaration on the Republic of Serbian People of Bosnia and Herzegovina was adopted, followed by the adoption of the Constitution, on February 28, 1992.[13]

The 1992-1995 war was concluded with the General Framework Agreement for Peace in BiH, or at it is commonly known, the Dayton Agreement. It confirmed the war-established divisions and recognised the majority Serb entity, Republika Srpska (RS), as well as the majority Bosniac-Croat entity, Federation of BiH (FBiH), and a then-internationally governed Brčko District, each of which having its own governing structures. Importantly, the ethnic self-determination claims were reflected in the constitutions of both entities. Its constitution first defined RS as a state of the Serbian people, then expanded this provision to include all its other citizens too. Finally the Office of the High Representative (OHR) amended the constitution in 1992 by replacing the word "state" with "constitutional and legal entity" and recognising the other

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[11] Commission on Security and Cooperation in Europe, *The Referendum on Independence in Bosnia-Herzegovina February 29-March 1, 1992*, (Washington 1992), 19.

[12] ibid. 7.

[13] "About us," National Assembly of the Republic of Srpska, accessed February 18, 2013, http://www.narodnaskupstinars.net/eng/stranica/about-us.

constituent peoples of BiH as constituent peoples of RS as well.[14] Similarly, the constitution of FBiH initially solely recognised the Bosniacs and Croats as its constituent peoples, but was later amended with a decision by the OHR to include all three major ethnic groups of BiH.[15]

The Constitution of the country on the other hand, adopted as annex 4 of the Dayton Agreement, recognised the three conflict parties, i.e. the three ethnicities, Bosniacs, Serbs and Croats, as "constituent peoples" and ensured their equal representation at the state level. As a result, the country is led by a tripartite presidency, composed of a Bosniac and a Croat from FBiH and a Serb from RS, which rotate every 8 months.[16] In addition, quotas for the three are ensured in the House of Peoples, while there are quotas for the entities in the House of Representatives and the Council of Ministers. The responsibilities of the state institutions of BiH, however, are limited and cover issues such as foreign affairs, customs, foreign trade, defence, human rights and refugees, etc. Importantly, each of the three constituent peoples has veto powers at state level, both in the Presidency and the House of Representatives, on issues deemed to be of 'vital interest' for that ethnicity.[17]

At the lower levels of government, the 1994 ceasefire agreement between the Bosniac and the Bosnian Croat leaders, which formed the Federation of BiH, set the basis for the decentralisation within that entity in addition to the decentralisation established with the Dayton Agreement. With this agreement FBiH was divided in ten autonomous

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[14] Goran Marković, "Ustavne promjene u Bosni i Hercegovini," in *Država, politika i društvo u Bosni i Hercegovini: Analiza postdejtonskog političkog sistema,* eds. Damir Banović and Saša Gavrić (Sarajevo: University Press, 2011), 93.

[15] *Constitution of the Federation of Bosnia and Herzegovina*, 18 March 1994, accessed February 18, 2013, http://www.unhcr.org/refworld/docid/3ae6b56e4.html; Office of the High Representative, *Decision on Constitutional Amendments in the Federation* (Sarajevo, April 19, 2002), accessed February 18, 2013, http://www.ohr.int/print/?content_id=7475.

[16] Presidency of Bosnia and Herzegovina, *Rules of Procedure of the Presidency of Bosnia and Herzegovina*, January 23, 2013, accessed February 18, 2013, http://www.predsjednistvobih.ba/nadl/1/?cid=192757,1,1.

[17] *Constitution of Bosnia and Herzegovina*, December 14, 1995, accessed February 18, 2013, http://www.ohr.int/dpa/default.asp?content_id=372.

cantons in order to prevent one ethnic group from dominating the other.[18] The whole territory of BiH is further divided into 142 municipalities, which is significantly more than the pre-war territorial organisation of the country. It is important to note that the decentralisation at all levels of power happened largely along ethnic lines, the outcome of which has been an incredibly complex political structure.

The entities and the Brčko District have a wide array of governing functions and powers. They are responsible for all areas that the constitution does not specifically assign to the state institutions, which are numerous. Over the years, RS has been particularly protective of these powers and resisted strengthening the state at the expense of the entities.[19] Furthermore, many responsibilities are delegated to the cantonal governments, including education policy, cultural policy as well as the establishment and control of the police forces.[20]

While the post-Dayton political setup of BiH guaranteed political representation of the three biggest ethnic groups, its basic building principle remains power sharing. As a result, the decentralisation of power appears to have helped mitigating the conflict dynamics at the lower levels (entity/cantonal/municipal), but only in places with an ethnically homogenous population. In ethnically more diverse locations such as Mostar, the conflict has shifted into the political sphere. Sharing power while having diametrically opposing views, the Bosniac and Croatian political elites in Mostar have often failed to find a compromise. The most recent episode has prevented local elections from taking place and the 2013 budget from being adopted, leaving the city paralysed.[21] This has increased tensions among the population too. Mostar, significantly more so than other ethnically diverse places in BiH, has been the site of several clashes between

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[18] *Washington Agreement*, March 1, 1994, accessed February 18, 2013, http://www.usip.org/files/file/resources/collections/peace_agreements/washagree_03011994.pdf.
[19] *Vijesti.ba*, "Dodik: Neprihvatljivo "uplitanje" SDP-a BiH kada je u pitanju predsjedavajući Vijeća ministara," October 7, 2010, accessed February 18, 2013, http://www.vijesti.ba/vijesti/bih/21747-Dodik-Neprihvatljivo-uplitanje-SDP--BiH-kada-pitanju-predsjedavajuci-Vijeca-ministara.html.
[20] *Constitution of the Federation of Bosnia and Herzegovina*, March 18, 1994, accessed February 18, 2013, http://www.unhcr.org/refworld/docid/3ae6b56e4.html.
[21] Daria Sito-Sucic, "Politicking paralyzes divided Bosnian town of Mostar," *Reuters*, February 5, 2013, accessed February 20, 2013, http://www.reuters.com/article/2013/02/05/us-bosnia-mostar-idUSBRE9140O620130205.

groups from the two sides. The most notable clashes lasted for two days in the aftermath of a football derby between the local Croatian and the local Bosniac team in November 2007. In October 2011, a football match between Croatia and Turkey triggered clashes that lasted for four days.[22] Violence at football matches, albeit usually at a much lower scale, is not uncommon in BiH when two ethnically different teams are playing.[23]

At the state level animosities still exist, too. In both houses of parliament and the presidency the Bosniacs, Serbs and Croats enjoy veto power in matters of "vital national interest". The use of this veto power has created a lot of frustrations. Among the population tensions persist as well, albeit without any significant violent conflicts between the warring parties. In addition, there have been citizen associations' initiatives that challenge the institutions and divisions created by Dayton. Those initiatives have been met with resistance from both, the politicians and the group whose collective political rights is contested by the initiatives.

There have been no major violent inner-communal conflicts within the ethnic groups in the post-war period in BiH either. Political conflicts between different parties aiming to represent a certain ethnic group naturally exist, but those rarely spill out of the political arena and the respective structures.

What is curious about the BiH Constitution is that, as noted above, it strictly focuses on the collective rights of the three biggest ethnic groups, i.e. the former conflict parties, effectively discriminating against the ethnic minorities and those citizens who do not self-identify with either one or solely one ethnic group. The discrimination happens at several levels. At the state level, the highest political offices are reserved for the constituent peoples. Namely, according to the Constitution, the Presidency is composed

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[22] Marko Čeko, "Hrvatska - Turska u Mostaru: Navijači najavili nerede, policija neviđene mjere osiguranja," *Index.hr*, October 17, 2011, accessed on February 20, 2013, http://www.index.hr/sport/clanak/hrvatska--turska-u-mostaru-navijaci-najavili-nerede-policija-nevidjene-mjere-osiguranja/577819.aspx; for more on the November 2007 event, see Adam Moore, 'The eventfulness of social reproduction," *Sociological Theory*, 29 no. 4 (2011): 294-314.

[23] For the most recent episode of football violence in BiH, see Daria Sito-Sucic, "Police and fans hurt in trouble after Bosnian soccer game," *Reuters*, March 4, 2013, accessed March 4, 2013, http://www.reuters.com/article/2013/03/04/us-soccer-bosnia-violence-idUSBRE9230PA20130304.

of a Bosniac and a Croat member from FBiH and a Serb from RS, while the House of Peoples is composed of five Bosniac and five Croat delegates from the Federation, and five Serb delegates from Republika Srpska.[24] With this, it is not only the ethnic minorities that are discriminated against, but also the Serb population in the Federation, and the Bosniac and Croat population in RS. This was the basis for the Sejdić and Finci vs. BiH case in front of the European Court of Human Rights (ECHR), whereby the plaintiffs, Roma and Jewish respectively, brought to question the discriminatory nature of the constitution. In 2009, the ECHC ruled that there is a systematic constitutional discrimination in BiH and that the BiH constitution is in violation of the European Convention for the Protection of Human Rights and Fundamental Freedoms.[25] This issue remains unresolved to date, despite the constant efforts to reach an agreement between the ethnic political elites. The pressure has increased in recent years with the European Union (EU) including a constitutional change in light of the ruling as one of the requirements for EU membership. Related, there is a pending case in front of the ECHR, Pilav vs. BiH, in which the Bosnian plaintiff lives in RS and is thus unable to run for the aforementioned positions.[26]

In addition to the discrimination related to the highest political posts, ethnically driven selection exists in the public administration too, where quotas are followed. In both cases, the ethnic minorities, who prefer a civic option and declare themselves as Bosnian as well as those whose inter-ethnic background falls in the category of "others" lack equal representation or opportunities as the constituent peoples.

As implied above, the emphasis in the post-war period in BiH has by and large been on political rights, in particular collective rights of the three constituent peoples. At the same time, the social and economic rights have been often neglected. In certain cases, the decentralisation of power has negatively affected the socio-economic position of the citizens. One such example relates to the issue of social benefits, such as pensions and

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[24] *Constitution of Bosnia and Herzegovina*, December 14, 1995, accessed February 20, 2013, http://www.ohr.int/dpa/default.asp?content_id=372, article IV section 1 and article V.
[25] Edin Hodžić and and Nenad Stojanović, *New/Old Constuonal Engineering? Challenges and Implications of the European Court of Human Rights Decision in the Case of Sejdić and Finci v. BiH* (Sarajevo: Analika – Center for Social Research, 2011), 15, 24.
[26] ibid., 26.

healthcare, which is among the responsibilities of the entities. With the legislation in the two entities not being harmonised, there being two separate pension funds and the entities being unable to reach an agreement over matters that affect their budget, there is a large part of BiH pensioners who would be unable to receive their pensions unless they register in the entity where they worked prior to the war, i.e. prior to April 1992, even if that is not their actual entity of residence.[27] Another example reflects the decentralisation in healthcare and health insurance, with RS and FBiH having separate funds, in addition to each canton having its own fund. With the bigger medical centres developed under the previous system with the intention of them serving entire regions, many of which are now divided with the Inter-Entity Boundary Line (IEBL), there are countless cases when the nearest hospital is in the other entity, not in the one where the patient resides and is covered by the health insurance. In cases of elderly residents, this has proved detrimental.[28]

The popular views of the central state in the two entities are diametrically opposed. The majority of people in Republika Srpska seem to support a stronger entity, as opposed to a strong central state. As a result, many support and praise the current RS President, Milorad Dodik, who is often referred to as "the defender of Srpska."[29] Another example is the election slogan of the winning party in 2010, which was "RS forever, and BiH as long as it has to be."[30] This might be further aggravated by the fact that the capital of the country and most of the state institutions are based in Sarajevo, not in Banja Luka, the capital of RS. Many people in RS thus perceive the central state as foreign to them and ruled by "the other side," i.e. Bosniacs. The majority of Bosniacs, in contrast, favour a stronger central state and the dismantling of the entities. This is further reinforced by the narrative that portrays RS as the embodiment of the genocide committed against

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[27] Field notes, Sarajevo and Jajce, May and November 2012. This issue is explained in more detail in Elena B. Stavrevska, *Bosnia and Herzegovina – Between a Rock and a Hard Place*, unpublished fieldwork report, 2012, 21.

[28] Field notes, Sarajevo and Jajce, May and November 2012.

[29] Field notes, Banja Luka, November 2012.

[30] Danijela Majstorović, Etnički i državni identitet i etnonacionalizam u javnoj sferi u Bosni i Hercegovini: slučaj glavnih štampanih medija," in *U okrilju nacije: Etnički i državni identitet kod mladih u Bosni i Hercegovini*, eds. Danijela Majstorović and Vladimir Turjačanin (Sarajevo: Centar za kulturni i socijalni popravak, 2011), 84-85.

Bosniacs. In the Federation, being Bosnian is often equated with being Bosniac, hence a Bosniac nationalism would not be incompatible with a narrative favouring a stronger central state.[31] Finally, the majority of Croats also appear to be opposed to a stronger central state. To that end, one can identify three different statehood projects, two segregationist (Serbs and Croats) and one integrationist (Bosniac), even though they are not as clear-cut and the nature of these projects remains debatable.[32]

2.2   Territorial autonomy

The two entities are separated by the Inter-Entity Boundary Line (IEBL), established with the Dayton Agreement, which essentially drew the boundary where the frontline of the war was. With one millimeter at the maps in Dayton being some 50 meters wide in reality, in many cases passing through villages, buildings, even people's apartments, the demarcation of the IEBL is yet to take place.[33] The line is about 1,150 kilometers long, passing through 630 kilometers of public and 520 kilometers of private land.[34] Other than these areas, the three ethnic groups now live mostly separated by the IEBL and municipal/cantonal divisions that exist in FBiH, due to which there has been little conflict between them since the end of the war.[35] Notable exceptions are the areas along the IEBL and the previously noted city of Mostar.[36]

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[31] ibid., 84.

[32] ibid., 85.

[33] Anes Alić, "Međunarodna zajednica insistira na entitetskoj demarkaciji u BiH," *Southeast European Times*, Sarajevo, May 05, 2012, accessed February 24, 2013, http://www.setimes.com/cocoon/setimes/xhtml/bs/features/setimes/features/2012/05/05/feature-02.

[34] Dejana Radovanović Šarenac, "RS uporna da povuče crtu," *Večerne novosti online*, October 01, 2010, accessed February 24, 2013, http://www.novosti.rs/vesti/planeta.70.html:302127-RS-uporna-da-povuce-crtu; Dženana Karabegović, "Međuentitetska linija: Dnevni boravak u Federaciji, spavaća soba u RS," *Radio Slobodna Evropa*, February 23, 2012, accessed February 24, 2013, http://www.slobodnaevropa.org/content/medjuentitetska_linija_jos_se_ceka_na_crtanje_karti/24494227.html.

[35] David Chandler, *Bosnia: Faking Democracy After Dayton* (London: Pluto Press 2000), 98.

[36] ibid.

In the immediate aftermath of the war there was a deliberate effort by the people to avoid crossing the IEBL and visit the other entity. Today, however, people cross it in thousands on a daily basis. This crossing has certainly been facilitated by some of the decisions of the High Representative, such as the adoption of a common currency and common vehicle license plates across the country.[37] Yet, many people only go to the other entity for work (especially if they work in the state institutions), business or to run errands, without having any more meaningful interaction with the other ethnic groups. Many still avoid crossing the line, considering the other entity as "alien" to them. Hence, many have opted for property exchange arrangements, which allow them to remain in the entity where they are a part of the ethnic majority, even though the return of internally displaced persons has been encouraged.[38]

In addition to the physical borders between the different ethnic groups, various practices, metaphors and governance initiatives, have also led to a "spatialisation of ethnicity," which is a reference to the existence of not solely geographical, but also linguistic, cultural and everyday spaces that each ethnic group creates and exists within.[39] The spatialisation of ethnicity, along with the physical divisions, have contributed to a reduction of the hostilities.

While keeping the inter-communal violence at a minimum, such divisions have, at the same time, negatively affected the prospects for reconciliation or bottom-up conflict resolution since there is little contact between the conflict parties. The only areas where genuine reconciliation takes places are the ethnically mixed villages along the IEBL, where people have returned and together they try to make ends meet.[40] It is important to note that this is mainly the case among the elderly generation, i.e. people who have already lived together before the war. The young people, on the other hand, are rarely

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[37] Ioannis Armakolas, "Sarajevo No More? Identity and the Experience of Place among Bosnian Serb Sarajevans in Republika Srpska," in *The New Bosnian Mosaic: Identities, Memories, and Moral Claims in a Post-war Society*, eds. Xavier Bougarel, Elissa Helms and Ger Duijzings. (Burlington, VT: Ashgate Publishing Company, 2007), 92.

[38] ibid., 96.

[39] For more on this concept, see Elena B. Stavrevska, *Bosnia and Herzegovina – Between a Rock and a Hard Place*, unpublished fieldwork report, 2012, 6-9.

[40] Field notes, Trnovo, May 2012.

exposed to their peers from other ethnicities, especially because in most of the country education remains segregated along ethnic lines.

This separation and lack of interaction between the conflict parties has led to a reinforcement of the animosities. In examining the attitudes of the different ethnic groups towards the others, Srđan Puhalo and Božo Skoko found that negative perceptions of the other groups are still based on personal experiences in the Bosnian war.[41] The war and the war traumas are still present in all aspects of life in BiH. At the same time, mental health experts acknowledge the phenomenon of "transgenerational trauma" in post-war BiH, whereby parents who experienced ethnic cleansing, suffered the loss of friends or relatives in the war or experienced detention camps, which is a large part of the population, could transmit their traumas and negative attitudes to their children.[42] Coupled with the lack of interaction between the different ethnicities, there seem to be limited possibilities for altering the negative perceptions towards each other. In that sense, the territorial divisions and the ethnic spatialisation have done little to mellow the public attitudes of the conflict parties towards each other.

2.3   Development policy

Bosnia and Herzegovina has been the recipient of one of most generous post-conflict reconstruction and development aid packages in recent history. Through the 1996-2000 Priority Reconstruction Programme alone, various international donors have committed USD 4.5 billion to the country, which with USD 1,400 per person is the highest per capita amount.[43] For the period between 1995 and 2007, some estimates indicate an

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[41] Srđan Puhalo, *Etnička distanca i (auto)stereotipi građana Bosne i Hercegovine* (Sarajevo: Friedrich Ebert Stiftung, 2009); Božo Skoko, *Što Hrvati, Bošnjaci i Srbi misle jedni o drugima, a što o Bosni i Hercegovini?* (Sarajevo: Friedrich Ebert Stiftung, 2011).

[42] Denis Dzidić, "Bosnian Wartime Traumas Damage New Generations," Balkan Insight, March 11, 2013, accessed March 11, 2013, http://www.balkaninsight.com/en/article/bosnian-wartime-traumas-affect-new-generations?utm_source=Balkan+Insight+Newsletters&utm_campaign=0e34af77ba-BI_DAILY&utm_medium=email.

[43] Sofia Sebastian, *Project Report: Assessing Democracy Assistance in Bosnia* (FRIDE, May 2010), 2.

approximate investment of USD 14 billion by the international community.[44] The exact figures concerning international aid, however, are difficult to calculate due to the presence of numerous international donors, whose reporting procedures vary. In an effort to coordinate donors' assistance and also gather accurate information, the UNDP Donor Mapping Exercise was launched.[45] In December 2005, 17 of the biggest donor agencies in the country established the Donor Coordination Forum (DCF), which carries out the Donor Mapping Exercise.[46] Since January 2009, in an effort to promote local engagement, the DCF Secretariat was moved from the UNDP to the BiH Ministry of Finance and Treasury, which is a state-level institution, and their Sector for Coordination of International Economic Aid.[47]

In the immediate aftermath of the war the focus of international aid was on rebuilding both the country's infrastructure and economy. In recent years, the focus moved from post-war reconstruction to development and democratisation. For instance, the major part of the Official Development Assistance of EUR 541.36 million for 2011 was invested in economic development, social protection, infrastructure and the health sector.[48] The exact figures on what part of the assistance over the years has been invested in particular areas and has actually reached those areas are difficult to calculate. But much of the aid may have been siphoned off as a result of widespread corruption in BiH.[49] The population's frustration with foreign development aid stems precisely from this, with the public secret being that many of the tenders are pre-arranged by the political elites and companies that are close to them.

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[44] ibid.

[45] ibid., 3.

[46] "About the Donor Coordination Forum (DCF)," last modified March 22, 2011, accessed March 11, 2013,
http://www.donormapping.ba/index.php?option=com_content&view=article&id=190&Itemid=332.

[47] ibid.

[48] Bosnia and Herzegovina Ministry of Finance and Treasury, Donor Mapping Report 2011-2012 (Donor Coordination Forum, 2012), accessed March 11, 2013, http://www.donormapping.ba/pdf/DMR_2011_2012_ENG.pdf, 6.

[49] Sofia Sebastian, *Project Report: Assessing Democracy Assistance in Bosnia* (FRIDE, May 2010), 2.

The goals of the initiatives have varied, covering a wide area. When it comes to the political autonomy of the entities, foreign development policy has worked on both strengthening the central state and the entities in parallel, focusing on the implementation of the Dayton Agreement. For instance, there have been initiatives and projects to promote reform and capacity building in state institutions and the judiciary, as well as constitutional reforms. Others have targeted the entities and have provided both funds and expertise in areas such as legal, judicial, financial, and budget reform, to name a few. Yet others have zeroed in on the municipal level, aiming to develop an environment for effective and efficient governance and civil service, or to rebuild and ensure the smooth functioning of the local neighbourhood communities (*mjesne zajednice*) as democratic structures. Importantly, one of the goals of the international development policy in BiH in recent years has been economic growth across the board, from individuals, to small businesses, to larger companies and overall market competitiveness. Other objectives have been social inclusion, energy, environment, democratic governance, policing, rural development, etc. That said, the overall international development policy has in principle not been used to either undermine or promote the autonomy of the entities. Particular donors' activities, however, may have been perceived by one or the other side as supporting a stronger central state at the expense of the entities.

This approach itself has not necessarily affected the conflict dynamics. Nonetheless, some of the initiatives funded by international donors have attempted to contribute to conflict resolution. These include various activities and projects that have aimed at bringing representatives of the different ethnicities, or sometimes the different levels of government, to work together.[50] This has sometimes resulted in amity, other times in enmity.[51] There have been numerous projects using the same methodology of bringing people from different ethnicities together in the civil society sector. Many of the donors for civil society organisations have encouraged such activities. The results of

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[50] Field notes, Sarajevo, May 2012.
[51] Field notes, Banja Luka, November 2012.

these, however, are temporary and limited, since most of the activities' participants go back to their old patterns once they are back in their everyday environments.[52]

While its contribution to conflict resolution might have been limited, international development policy has at the same time not sparked new conflicts. Political conflicts and tensions over the distribution of funds do exits, as development aid is often perceived as zero-sum, but these tensions have not resulted in violence. Many in Republika Srpska, for instance, perceive donors' policies as unjust and investing mainly in the Federation, with most of them having their main headquarters in Sarajevo.[53] No data is available on whether these views are justified. The development activities in BiH overall, however, appear to have resulted in greater social and economic equality, with much more work still remaining to be done in this area.

One of the state-level ministries, as agreed in Dayton, is the Ministry of Foreign Trade and Economic Relations. It has contributed to fostering cooperation between the constitutive peoples in the area of trade, especially in relation to the common customs and tariff policy, which is in its competence. At the same time, RS and FBiH remain governed as separate markets, with separate legislation and separate stock exchanges. This, needless to say, has created inconveniences for the traders and the various companies in the country, who have to register in both entities if they want to trade across the territory of BiH in its entirety.[54]

In the field of foreign investments, a kind of "investment apartheid" can be noted with most of the Croat-populated parts of FBiH receiving investments mainly from Croatian companies, RS from Serbia, and the Bosniac parts of FBiH from Turkey.[55] At the moment, each entity and in some cases even each canton or municipality is concerned only with its own economic needs, with the state and the entity level often being perceived as an additional obstacle in ensuring economic growth and stability

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[52] Field notes, Sarajevo and Tuzla, October-November 2011.
[53] Field notes, Doboj and Banja Luka, July and November 2012.
[54] Field notes, Sarajevo and Doboj, November 2011 and November 2012.
[55] Timo Kivimäki, Marina Kramer and Paul Pasch, *Dinamika konflikta u multietničkoj državi Bosni i Hercegovini Studija analize konflikta u pojedinim zemljama* (Sarajevo: Friedrich Ebert Stiftung, December 2012), 56.

through trade and investments.[56] In addition, it has not been uncommon for people to purchase products from other countries that they feel related to (e.g. Croats purchasing Croatian products, Serbs Serbian, Bosniacs Turkish), even when there are competitive products from other parts of BiH available.[57] While the attitudes towards the conflict of some who trade within BiH with people from one of the other ethnicities have changed, many see this purely as cooperation out of need and economic interests. Taken all the above into consideration, the trade integration has not significantly altered people's attitudes towards the conflict so far.

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[56] ibid.
[57] ibid.

III Cyprus

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3.1   Autonomy, socio-economic justice and conflict dynamics

In Cyprus, territory, sovereignty and identity, have remained unresolved conflict issues for more than 50 years despite international peacekeeping, mediation by the United Nations (UN), European Union (EU) governance reform, and international investment in civil society initiatives.[58] The European Union's stance has been to back the Republic of Cyprus' (RoC) territorial integrity and sovereignty and consequently to refrain from recognising the *de facto* independent Turkish Republic of Northern Cyprus (TRNC). The latter is only recognised by Turkey but has nonetheless established its own administration. International actors do not consider the option of a formal partition of RoC and TRNC as a viable solution, which is in line with the securitization of the international Westphalian system. This policy is reflected in the fact that technically the whole island became part of the European Union after its 2004 accession. According to Protocol 10 of the Accession Treaty 2003 EU law is only considered as suspended in the area in which the Government of Cyprus does not exercise effective control.[59] Therefore, the North is outside the customs and fiscal terrain of the EU, while its territory is part of the Union. This does not affect the rights of Turkish Cypriots as EU citizens. Legally, they are citizens of the Republic of Cyprus (and thus of the EU), even though they live in the 'areas not under government control'[60]. In its official discourse, the government of the RoC frequently refers to the 'occupied areas' when speaking of the self-administrated North as it considers Turkish Cypriots as living under the occupation of the Turkish military.

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[58] Vogel, Birte and Richmond, Oiver P. 'A Viable Peace Process Already Exists', in Ker-Lindsay, James (ed.) *Resolving Cyprus: New Approaches to Conflict Resolution,* (London: I.B.Tauris, forthcoming 2014).

[59] European Commission (2012): 'Turkish Cypriot Community' available at http://ec.europa.eu/cyprus/turkish_cypriots/index_en.htm

[60] ibid

Historically, Cyprus illustrated the difficulty to institutionalise power sharing and cultural autonomy in states with territorially intermixed ethnic groups.[61] Today, territorial separation and autonomy are often regarded as obstacles to a settlement of the conflict. The EU's governance initiatives in Cyprus are therefore focused on the promotion of interdependence and co-operation between the two Cypriot communities to prevent permanent secession of the TRNC and instead create a bi-zonal, bi-communal federation as a solution to the Cyprus problem. The EU employs development policies such as the Green Line Regulation for inter-communal trade and the 'EU Aid Regulation towards Turkish Cypriots'[62] with the aim of mitigating socio-economic inequalities between the North and the South. In the long run these policies are supposed to facilitate the reunification of the island.

The aim of this report is two-folded: The first section explores how the territorial and institutional separation and self-determination of the two communities has impacted on conflict dynamics and conflict resolution. While territorial separation and the creation of autonomous institutions might have ended inter-communal clashes and violence, both measures have also created new conflict dynamics over territorial disputes, the question of internally displaced people, property issues and socio-economic inequality. Further, the division has brought internal conflicts to the TRNC since Turkey tends to exploit its economic leverage over the TRNC state budget in order to implement polarising policies.

Second, the report analyses the EU's strategy of promoting integration and interdependence between the two entities, rather than supporting the decentralisation of power and autonomy between Greek and Turkish Cypriots. The EU lobbies for a federal solution and aims at preventing a permanent secession as the breakup of countries is seen as a threat to the Westphalian system, which values the integrity of states. In the case of Cyprus such concerns are mitigated by the decision on collective international non-

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[61] Dundas, Guy 'Cyprus from 1960 to EU Accession: The Case for Non-Territorial Autonomy' *Australian Journal of Politics & History,* 50, No 1 (2004), pp. 86-94.
[62] The EU Aid Regulation aims exclusively at Turkish Cypriots. It tries to foster economic equality between the two communities though local development in the North (the main criteria are GDP, job growth and better infrastructures).

recognition, which makes the recognition of splinter entities unlikely.[63] The internationally accepted model of conflict resolution in Cyprus is a bi-zonal, bi-communal federal republic.[64] This necessarily restricts the degree to which Turkish Cypriots can press for further sovereignty, or even partition, without explicit agreement of the Greek Cypriots and the UN Security Council.[65] The report finally outlines some locally discussed confidence-building measures that grant more independence and autonomy to the unrecognised North. One of the report's suggestions entails the opening of ports to international ship and air traffic in return for territorial compensation to the RoC.

3.1.1 Background: Territorial separation

The conflict over territory and self-determination dates back long before the 1974 events in Cyprus. The seeds for the territorial dispute were sown during the British colonial administration, especially in the 1930s to 1950s when Greek Cypriots started to revolt against colonial rule.[66] In the years leading up to Cyprus' independence in 1960, the demand for self-determination was often voiced by the Greek Cypriot community in terms of *enosis*, the unification with Greece. Greek Cypriots saw this as the only way to gain political recognition and stability. *Enosis*, however, was unacceptable to the Turkish Cypriot community which feared cultural assimilation and instead demanded *taksim*, the formal partition of the island into a Greek and a Turkish entity.[67] To pursue their goal, the Greek Cypriot *enosis* movement formed an armed insurgency group EOKA[68] in 1955; two years later Turkish Cypriot nationalist reacted with the formation of the Turkish

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[63] Ker-Lindasy, James 'Understanding State Responses to Secession', in *Peacebuilding* 1 no 2 (forthcoming 2013).

[64] James Ker-Lindsay, *The Cyprus Problem: What Everyone Needs to Know* New York: Oxford University Press, 2011) pp.112-113.

[65] Ker-Lindsay, James, State Responses to Secession, op. cit.

[66] Tocci, Nathalie *EU Accession Dynamics and Conflict Resolution – Catalysing Peace or Consolidating Partition in Cyprus?,* (Aldershot: Ashgate, 2004) p. 44.

[67] Solomonides, Nicola 'One State or two? The search for a solution to the Cyprus Problem', *International Public Policy Review*, 4, no1 (2008) pp.61-72.

[68] EOKA stands for *Ethniki Organosis Kyprion Agoniston- National Organisation of Cypriot Fighters orsometimes National Organisation of Cypriot Struggle. Eventhough the movement was labelled as an anti-colonialisation movment it was clearly in favour of enosis.*

resistance movement TMT[69]. British colonial rule ended in 1960, and an independent state, the Republic of Cyprus, was created as a compromise solution. Independence granted in 1960 was essentially a regime of 'supervised' independence, with three foreign "guarantor"[70] nations (United Kingdom, Turkey and Greece) based on the Zurich–London Agreements.[71] It left, however, the two antagonistic ethnic groups with a constitution that did not resolve the historical roots of instability and 'contained very little in the way of machinery for the mediation and resolution of internal disputes'[72]. Conceptually close to Lijphart's *consociationalism*, the constitution attempted to offer both ethnic groups cultural autonomy and institutional power sharing guarantees within a common state,[73] leaving out any other large minority groups on the island such as the Maronite community. Greek and Turkish Cypriots had guaranteed representation in the legislature and executive of the state.[74] Demographic realities, however, did not support the establishment of cultural and political autonomy on a territorial basis. Although some villages and urban enclaves were ethnically homogenous, most villages on the island were intermixed albeit dominated by Greek Cypriots, who represented about 80% of the population. Hence, there was 'no territorial basis for the division of the island into Greek and Turkish zones, and thus no territorial basis on which to afford both groups autonomy.'[75]

The envisaged concept of non-territorial autonomy has largely failed and the next decade witnessed significant inter-communal violence and internal displacement. This contributed to the decision to send the United Nations Peacekeeping Forces (UNFICYP) to the island and the establishment of a cease-fire line in 1964 (the Green Line) and a buffer zone in Nicosia. During this time, territorial separation started as many Turkish

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[69] TMT stands for Türk *Mukavemet Teşkilatı- Turkish Resistance Organisation*

[70] The *Treaty of Guarantee* made by constitutional guarantors gave the three countries a right to intervene but with the sole aim of re-establishing the status quo created by the constiution

[71] Trimiklinitis, Nicos and Bozkurt, Umut 'Introduction: Beyond a Divided Cyprus: a Society in a State of Transformation' in Trimiklinitis, Nicos and Bozkurt, Umut (eds.) *Beyond a divided Cyprus: : a state and society in transformation* (New York: Palgrave, 2012) p. 8

[72] Richmond, Oliver P. *Mediating in Cyprus: The Cypriot Communities and the United Nations* (London: Frank Cass,1998). p. 75.

[73] Dundas, *Non-Territorial Autonomy*, p. 86

[74] ibid

[75] ibid

Cypriots moved – or were forced to move – into enclaves.[76] Following the Greek coup, the Turkish army intervened and finalised the territorial separation by occupying 37% of the northeastern part of the island, the area today known as the TRNC. During the short conflict (20 July–16 August 1974) about 3,500 people were killed and 2,000 were reported as missing while around 180,000 – mostly Greek Cypriots – became refugees.[77] While ending inter-ethnic violence, the Green Line today is often regarded as an obstacle to conflict resolution. Following the population exchange in 1975, whereby almost all remaining Greek Cypriots in the North moved to the South and vice versa, territorial and thus ethnical separation became institutionalised. Some argue that it has frozen the conflict and further, the Green Line has cemented a border in the heads of many Cypriots.[78]

3.1.2 New Conflict Dynamics and growing inner-Turkish Cypriot Social Discontent

It is against this historical background that Greek and Turkish Cypriots were territorially separated and built entirely autonomous institution, infrastructures and economies as the basis of two separate states. This however, added a new and now dominating component to the conflict: the issues of land ownership and correspondingly the question of internally displaced people, property rights and international recognition. For Turkish Cypriots, the question of territory is associated with security and the guarantee of their rights while Greek Cypriots often see the territorial division as a symbol of the war and a threat to their security. Ker-Lindsay argues that in the case of Cyprus, geography plays a particularly important psychological role: as an island it has a natural border and should not be separated by a further 'unnatural' border as 'the division represents an affront to the natural order of things'.[79] That might much represent the opinion of Greek Cypriots rather than Turkish Cypriots and is reflected in the policy not to entertain official contacts

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[76] Tocci, *EU Accession Dynamics*, p. 50

[77] Eiki Berg 'Compromising with facts, clashing with norms? Revisiting territoriality and sovereignty in Cyprus, Moldova and Bosnia' in: Diez, Thomas and Tocci, Nathalie (eds) *Cyprus: a conflict at the crossroads* (Manchester: Manchester University Press, 2009).

[78] UNFICYP. Confidential Source, Interview 07.03.2013, Nicosia.

[79] Ker-Lindsay, *State Responses to Secession*

with the 'occupied north'. From the perspective of the RoC any contact or cooperation with the TRNC is seen as granting legitimacy to an illegal administration and thus should be strictly avoided. This is one of the main reasons for the lack of Greek-sponsored efforts to resolve the conflict through negotiations beside UN-facilitated peace talks. The EU does not have any direct interactions with the TRNC administration either. The politics of non-recognition had a trickle-down effect on society in the South, too. Many Greek Cypriots will not cross to the North stating that by showing their passports at the crossing they accept the division and recognise TRNC and its authority as a state. In the RoC, therefore, the idea of partition remains off-limits in the mainstream political discourse. Nevertheless, Ker-Lindsay claims that in private, many Greek Cypriots wonder whether partition might not be the best solution to the Cyprus issue. If an arrangement can be made to secure the return of sufficient territory to allow many refugees to return to their homes, then allowing the north to go its own way could be beneficial.[80]

For Turkish Cypriots the division has implied a constant struggle for international recognition, and labelling has become an important part of the conflict. The Greek Cypriot side always places the TRNC in quotation marks or refers to it as the 'Turkish Cypriot pseudo-state' or just adds a 'so-called' as a permanent prefix to everything related to the Turkish Cypriot administration (so-called president, so-called government) to avoid any recognition of Turkish Cypriot statehood. The primary symbols of statehood such as national anthems and flags are still connected to the respected 'motherlands' Greece and Turkey though.[81] The TRNC's non-recognition has severe consequences for the Turkish Cypriot population in terms of its isolation. Without access to an international airport Turkish Cypriots were long forced to travel via Turkey regardless of their final destination. The opening of the crossings in 2003 has eased the situation though. Equally problematic was the long-term economic isolation of the North. It has led to little economic development compared to the South, which has clearly opened a socio-economic gap in living standards. Even though the EU tries to mitigate these inequalities through infrastructure and other development schemes, the differences remain obvious.

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[80] ibid

[81] Constantinou, Costas and Yiannis Papadakis, 'The Cypriot States(s) *in situ*: Cross-Ethnic Contact and the Discourse of Recognition', in *Global Society*, 15 no 2 (2001) pp. 125-148.

The Turkish intervention, which resulted in the loss of land for many Greek Cypriots, has added new layers to the Cyprus conflict. The most emotional issue in the public discourse is the question of how to deal with properties lost after the 1974 separation.[82] A turning point in this matter is the 1996 landmark decision of the European Court of Human Rights (ECHR), generally referred to as the Loizidou vs. Turkey case. A displaced Greek Cypriot (Loizidou) claimed their property in the North. According to the ECHR ruling the TRNC cannot legally take over Greek Cypriot property as it does not constitute a recognised state.[83] Consequently, the applicant remained the legal owner of the property and the refusal of TRNC to allow them free access to it constitutes 'continuing violation' of the conventions by Turkey as the respondent state.[84]

One mechanism to address this problem was the establishment of the Immovable Properties Commission (IPC)[85] established by the government of the TRNC in 2006 under the Immovable Property Law (67/2005) in accordance with the latest rulings of the European Court of Human Rights and another landmark decision, the case of Xenides-

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[82] Williams Rhodri C. and Gürel, Ayla 'The European Court of Human Rights and the Cyprus Property Issue – Charting a way forward (PRIO Cyprus Centre, 2011]: available from: http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CC8QFj AA&url=http%3A%2F%2Fhawk.ethz.ch%2Fserviceengine%2FFiles%2FISN%2F134663%2Fip ublicationdocument_singledocument%2F4f402dc5-8ea4-4163-9d50-deac28657d13%2Fen%2FReport%2BEuropean%2BCourt%2BWEB.pdf&ei=7c6OUPKAGoqG4 gSDk4HQAQ&usg=AFQjCNE9yd7EmkGi39miawGf_Y8RBuHwhg, p.3

[83] ECtHR, Loizidou v. Turkey (Merits), App. No 40/1993/435/514 (1996)

[84] Rhodrio and Gürel 2011 p.4

[85] Very detailed information on the Property Commission and many decisions regarding property issues in Cyprus can be found on the PRIO Cyprus Centre website. The following documents provide very useful legal and social advise: The European Court of Human Rights and the Cyprus Property Issue – Charting a way forward [Williams and Gürel, 2011]: available from http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CC8QFj AA&url=http%3A%2F%2Fhawk.ethz.ch%2Fserviceengine%2FFiles%2FISN%2F134663%2Fip ublicationdocument_singledocument%2F4f402dc5-8ea4-4163-9d50-deac28657d13%2Fen%2FReport%2BEuropean%2BCourt%2BWEB.pdf&ei=7c6OUPKAGoqG4 gSDk4HQAQ&usg=AFQjCNE9yd7EmkGi39miawGf_Y8RBuHwhg or Gürel, Alya Displacement in Cyprus – Legal Framework (2012), available from http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CDwQF jAA&url=http%3A%2F%2Fkms1.isn.ethz.ch%2Fserviceengine%2FFiles%2FISN%2F146461%2 Fipublicationdocument_singledocument%2F4e97687b-5f3e-4fda-9418-a121aba210fe%2Fen%2FReport%2B4-%2BA.GUREL%2BENG.WEB.pdf&ei=8M-OULinCeuQ4gTZvoAg&usg=AFQjCNGBhRJNzwYXzV2tLd_WcM8b9TClUQ

Arestis v.Turkey.[86] The IPC's purpose is to create an effective domestic procedure for claims relating to abandoned properties in Northern Cyprus. Greek Cypriots applicants might be entitled to compensations, land exchange or the return of their old properties. Compensations are paid by the TRNC, but the money comes undoubtedly from Turkey. However, all applications need to be made in Turkish, setting a formal barrier for many Greek Cypriots. There is no similar mechanism established to help Turkish Cypriots who own property in the South.

The establishment of the IPC evoked mixed reactions on both sides of the conflict. When the IPC law was passed, it was opposed by the then main opposition (now government party) UBP,[87] who voted against the bill in the parliament and tried to prevent its enforcement.[88] Later, they unsuccessfully brought a case against it at the Constitutional Court. It further provoked uncertainties on the part of current users of the Greek Cypriot properties in the north.[89] These concerns subsided when it was clarified that current users would not be in danger of being forced to leave their home.

Likewise, the government in the south has been opposing the IPC mechanism. They see it as a mechanism that negatively affects their interests at the negotiation table.[90] The property issue remains one of the most important justifications for the government's claims to own the northern territory. Therefore, the Greek Cypriot government has called on its citizens to refrain from applying to the IPC and not to jeopardize 'the collective Greek Cypriot interests'.[91] Citizens seem to be weary of waiting for a solution and thus as of 16 November 2011, more than 2,300 applications have been lodged with the Commission; 187 of them have been concluded through friendly settlements and 7 through formal hearing. The Commission has paid almost 63 million GBP to applicants as compensation.[92] Some Greek Cypriots share the perspective of their government and

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[86] IPC 'The Immovable Property Commission (IPC) North Cyprus' online, available from http://immovablepropertycommission.org/default.aspx
[87] Ulusal Birlik Partisi, a common translation is *National Unity Party*
[88] Gürl, Ayla, Personnel Communication, 16.11.2012
[89] ibid
[90] ibid
[91] ibid
[92] Immovable Properties Commission Imhttp://www.northcyprusipc.org/

restrain from applying. To them, an application represents an acceptance of the current status quo and the legitimation of the division as a political reality.[93]

For Greek Cypriots the loss of territory and property has had severe economic consequence. The areas now under Turkish Cypriot control were important economic and commercial regions prior to 1974. Famagusta for instance was the island's main port and Morphou was the main citrus growing area. In addition to losing their homes, many tens of thousands of Greek Cypriots lost valuable commercial land as a result of their displacement.[94] A report by the University of Cyprus, published in July 2010,[95] estimated that the invasion and division of the island had cost Greek Cypriots over 109 billion Euros since 1974.[96] These figures refer to private individuals as well as companies, not the state or the Church.

The rationale behind the rejection of the property commission mirrors the strong connection between the Cyprus dispute, its territorial component and power relation for a possible solution: the property issue has become one of the most significant arguments in elite negotiations for the Greek Cypriot side. As long as Greek Cypriots own the land their representatives can claim legal rights to the territory more easily and the narrative of occupation can be kept alive. UN officials assume that if an agreement can be reached the territories of a bi-zonal, bi–communal federation will largely depend on the status-quo ownership of properties at the time of the agreement.[97]

3.1.4 New Internal Conflicts in the TRNC

In the Turkish Cypriot community the division has fuelled a new internal conflict that has gained importance over the past years: rising tensions between Turkish Cypriots and migrants from Turkey.

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[93] http://www.cyprusedirectory.com/articleview.aspx?ID=18179
[94] Ker-Lindsay, State Responses to Secession
[95] 'Turkish invasion has cost Cyprus over €100 billion', *Cyprus Mail*, 28 July 2010. The report also noted that the Turkish Cypriots had lost 2.2 billion Euros in the same period through lack of access to their properties in the south.
[96] Ker-Lindsay, State Responses to Secession, op. cit.
[97] UN, Confidential Source, Interview 08.03.2013, Nicosia.

While Turkey's intervention in 1974 was supported by the vast majority of Turkish Cypriots, a growing number of Turkish Cypriots is frustrated by Turkey's overwhelming presence today. Financially, the North is massively dependent on financial transfers from Ankara to keep the state running. This is often interlinked with the implementation of certain policy reforms. Trimiklinitis and Bozkurt argue that 'as Ankara-backed authorities in the TRNC of the Nationalist Unity Party is embarking on a neoliberal package of austerity that includes privatization and cutting down on subsidies to the unrecognized state, it can no longer incorporate the Turkish-Cypriot middle classes and labor aristocracy, who are feeling the squeeze.'[98] This Turkish Cypriot discontent let to unique mass mobilizations of 2011. Connected to political parties of the Left (mainly trade unions) the opposition to Turkey's overpowering presence reflects a combination of communal, cultural and economic concerns.[99]

The society in the unrecognized Turkish Republic of Northern Cyprus is dominated by an internal conflict between Turkish Cypriots and Turkish immigrants, often referred to as settlers, who came to the area after the 1974 war. Ankara has encouraged large-scale migration from Anatolia to Cyprus so that Turkish Cypriots are assumed to be a minority in the TRNC now.[100] The recent policy of granting Cypriot citizenship to mainland Turks is one of the few issues that have provoked protests within the Turkish Cypriot community. Turkey still wields a strong influence over the Turkish population living on the island and Turkish Cypriots fear that an increasing number of Turks with Cypriot passports – and thus the right to vote – will change power dynamics, eventually leading to pro-Turkish instead of pro-Cypriot politics in TRNC.[101]

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[98] Trimiklinitis and Bozkurt, *Beyond a Divided Cyprus*
[99] ibid p 7
[100] The number of settlers in the TRNC is a hotly debated issue—estimates vary between 300,000 (International Crisis Group, 2010) and 500,000 (Cole, 2011). A recently conducted census in TRNC might give more insights into the shifting power relations within Turkish Cypriot society. The figures have not been published yet.
[101] Ahmet Sözen, Professor at Cyprus Policy Center, Interview 1.11.2011, Famagusta.

3.2   Conflict resolution through interdependence

Acknowledging the fact that non-territorial autonomy in Cyprus is no longer an option and that ethnically mixed villages cannot be re-established under the current condition of fear and hatred between the communities, international actors such as the EU and the UN strive for a bi-zonal, bi-communal federation as suggested in the failed Annan Plan in 2004.[102] The main obstacle to an agreement at the national level is currently the issue of how power will be shared between the Greek and Turkish Cypriot side. More specifically, disagreements over cross-voting and a rotating presidency have not been resolved yet.[103]

Island-wide public opinion polls suggest that this is the only solution that both communities could agree on, despite it merely being the second choice for both communities. According to the polls Greek Cypriots prefer a unitary state but would be prepared to live within a bi-zonal, bi-communal federation while unequivocally rejecting a two-state solution, a confederation or a continuation of the status quo.[104] Turkish Cypriots show a preference for a two-state solution but would be prepared to live with a federation.[105] Moreover, the data suggests that the Turkish Cypriot community is more inclined to accept different potential solutions than the Greek Cypriots.

Regarding the overall framework of a Comprehensive Settlement, and considering each of the alternative settlement models presented below, how acceptable or unacceptable, in principle, do you consider each of these models?

[102] European Commission, Confidential Source, Interview 8.11.2011, Nicosia.

[103] TRNC Prime Minister Office - European Union Coordination Centre, Confidential source, Interview 9.11.2011, Nicosia.

[104] Cyprus 2015 available from http://www.cyprus2015.org/index.php?option=com_phocadownload&view=category&id=1%3Apublic-opinion-poll&Itemid=34&lang=en, accessed 05.03.2013 p.19

[105] Ibid p. 20

1 Greek Cypriot Results[106]
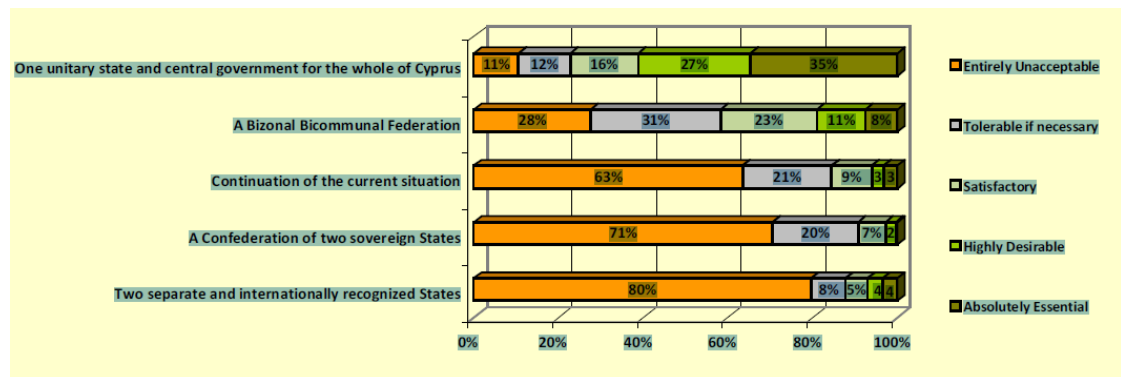
2 Turkish Cypriot Results

Based on the idea of establishing a bi-zonal, bi-communal federation, the EU has developed a set of mechanisms that tries to foster co-operation and interdependence between the two communities. The following section will report on two main initiatives (I) the 'Green Line Regulation' that encourages economic interdependence and the (II) the 'Aid Regulation towards Turkish Cypriots' that aims at matching social inequalities between the two entities and provides infrastructural development aid towards the North.

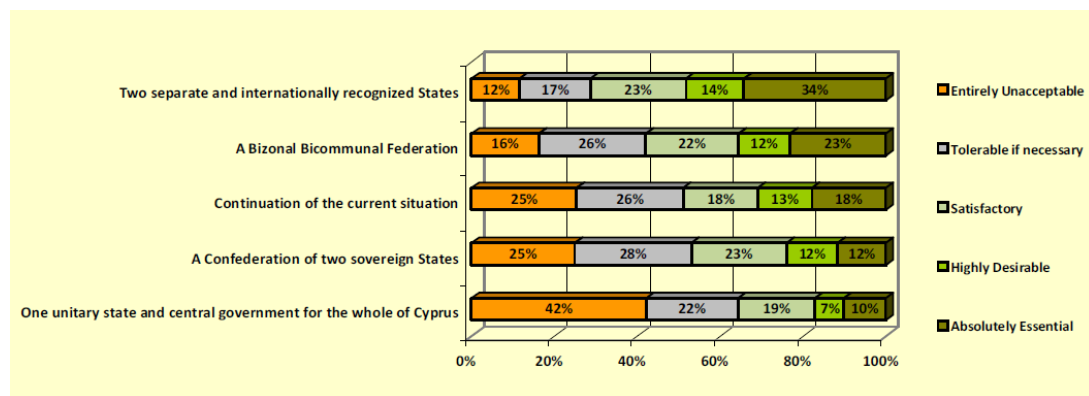[106] Both graphics are part of the Cyprus 2015 public poll presentation available from http://www.cyprus2015.org/index.php?option=com_phocadownload&view=category&id=1%3Ap ublic-opinion-poll&Itemid=34&lang=en, accessed 05.03.2013

The Aid Regulation further includes technical assistance and capacity building in the attempt to push for governance reforms that bring Turkish Cypriot institutions in line with EU law.

3.3   Economy Interdependence - The Green Line Regulation

EU policy pursues the notion that economic interdependence and in particular trade integration could bring the two sides closer together. According to the European Commission (EC) in Nicosia the main objective of its Cyprus policy is to link both parts of the island to foster stable economic relationships and help Turkish Cypriots to overcome their isolation.[107] Among other documents EC No 389/2006 specifies the idea that economic integration leads to conflict resolution. The EU states that its instruments aim to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community, the economic integration of the island, improving contacts between the two communities and with the EU, and preparing for the *acquis communautaire*.[108] Hence, the EU passed several regulations seeking to ease trade between the two communities.

As the Green Line does not constitute an external border of the EU, special rules concerning the crossing of goods, services and persons needed to be established. Initially, the EU had hoped to resolve this problem by drafting an agreement on direct trade via a third country agreement.[109] Officially this document is still pending in the EU Council of Ministers. In order to pass the agreement, however, the Greek Cypriot member state has to consent. Therefore, its implementation is not to be expected; members of the EU-Commission already call it 'dead'.[110] Representatives of the Republic of Cyprus argue that a third country regulation would have to be agreed between the EU and an outside

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[107] EC, Confidential Source, Interview 01.03.2012

[108] Council Regulation (EC) No 389/2006 of 27 February 2006 'establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community' page 2, available from http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:065:0005:0008:EN:PDF

[109] EC, Confidential Source, Interview 01.03.2012, Nicosia.

[110] ibid

country – the TRNC, however, is not recognised as a state and thus unsuitable for such an agreement.

Instead of a third country agreement, the so-called 'Green Line Regulation', a mechanism that enables Turkish Cypriots to export goods to the Republic of Cyprus, has entered into force in May 2004. Although more and more products have been added to the Green Line Regulation every year trade between the communities decreases.[111] The EC, however, suspects much 'hidden trade' between the two sides. Members of the EU-Commission assume that social norms have a major impact on trade relations between the communities: as much as consumers reject products from 'the other side' traders have no incentive to openly do business across the Green Line.[112] Supermarkets might even be afraid of protest by their costumers if they stock Turkish Cypriot products.[113] Consequently, there are barely any Turkish Cypriot products on the shelves in the south and thus no demand to trade products over the Green Line.[114]

Greek Cypriot farmers show similar patterns of resistance in opposing the Green Line Regulation. Farmers in the RoC fear unfair competition from agricultural producers in the north and frequently complain about lower production standards in the TRNC. Rumours about illegal pesticides are widespread. This argument does not hold though, since the Turkish Cypriot Chamber of Commerce and Industry checks northern produce monitored by the EU to ensure that agricultural production in the north meets the food safety requirements of the internal market.[115] One recent example of local resistance escalated when a protest by Greek Cypriot potato farmers tried to stop the crossing of goods from the North. They block the highway with tractors and articulated their fear of unfair competition. The EU intervened by exerting political pressure on the Greek Cypriot authorities to assist the crossing of the potatoes. The same night the potato storage in the South burned down.[116] While Greek Cypriot authorities claim this was a

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[111] ibid
[112] ibid
[113] European Voice 'Wrong side of the (trade) barriers' (2008), available at
http://www.europeanvoice.com/article/imported/wrong-side-of-the-trade-barriers/62192.aspx
[114] Conference presentation
[115] Pantelides, Poly 'Potato farmers block highway' in Cyprus Mail (online, August 23,
http://www.cyprus-mail.com/potato-farmers/potato-farmers-block-highway/20120823
[116] European Union Coordination Centre, Confidential Source, Interview 27.10.2012, Nicosia.

coincidence, Turkish Cypriots regard the incident as a targeted attack carried out by Greek Cypriot farmers.

Turkish Cypriots generally complain that they are encouraged to produce more but subsequently face limitations in exporting their goods. Many Turkish Cypriot farmers consider exporting their cargo via the RoC as unsafe, while exporting via Turkey minimises their already small profit margins to an extent that makes trade unprofitable.[117] Moreover, Turkey seems to undermine the policy of trade integration, too. For instance, Turkey subsidises farmers in Northern Cyprus only as long as they do not trade their products over the Green Line. This could be seen as some form of Turkish resistance against the EU policies,[118] or a way of keeping the TRNC dependent. Despite the EU's influence over Cyprus' trade policies, the main project aiming at economic interdependence between the two chambers of Commerce is run by UNDP-ACT, not the EU.[119]

3.3.1 Development policy

Council Regulation (EC) No 389/2006 established an instrument of financial support, which encourages the economic development of the Turkish Cypriot community (commonly referred to as 'Aid Regulation towards Turkish Cypriots' or just 'Aid Regulation'). It provides development assistance to address social inequality between the two communities and has the following main objectives[120]:

- to promote social and economic development of the Turkish Cypriot community, including restructuring, in particular concerning rural development, human resources development and regional development;
- to develop and improve infrastructure, in particular in the areas of energy, transport, environment, telecommunications and water supply;

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[117] European Union Coordination Centre, Confidential Source, 27.10.2012.
[118] EU, Commission Confidential Source, Interview 01.03.21012.
[119] For more information on this programme see http://www.ktto.net/interdependence/
[120] As stated on the EC Cyprus website:
http://ec.europa.eu/enlargement/turkish_cypriot_community/aid_programme_en.htm

- to foster reconciliation, confidence building measures and support to civil society; to promote a rapprochement between the Turkish Cypriot community and the EU through information as well as contacts between Turkish Cypriots and other EU citizens;

- to help the Turkish Cypriot community to prepare for the implementation of the acquis in case of a comprehensive settlement of the Cyprus problem.

The programme further offers investment and loan schemes for Turkish Cypriots entitled 'Establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community'[121] (EC No 389/2006). The Aid Regulation's budget amounted to 259 million Euros for 2005-2009. 1/10 of the budget has been earmarked for projects that did not materialise - either because of Turkish resistance or missing capacities with the NGOs that applied for project grants and subsequently turned out to be unable to implement them. Since 2009 the budget has been agreed on an annual basis. For 2010-2011 it was reduced to 27 million Euros. The decrease in aid mirrors the EU's frustration with the cooperation on the Turkish Cypriot side. Furthermore, many projects have been perceived as inefficient or ineffective.[122]

Under the 'Aid Regulation' the EU tries to assist the Turkish Republic of Northern Cyprus in harmonising laws with EU regulations. Given that official relations between the EU and TRNC are prohibited, the European Commission has established a programme team working both in Brussels and Nicosia to implement the regulation. The team uses a Programme Support Office (EUPSO) in North Nicosia. The TRNC government's cooperation with the EUPSO signals the Turkish Cypriots' interest in preparing for a possible reunification and thereby possible EU membership. In 2003 the northern Cypriot government even established the 'TRNC Prime Minister Office - European Union Coordination Center' to institutionalise its cooperation with the EU. This centre intends to work as a bridge between the EU and the TRNC government and

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[121] Council Regulation (EC) No 389/2006 of 27 February 2006 'establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community' available from http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:065:0005:0008:EN:PDF
[122] EC, Confidential Source, Interview 01.03.2012, Nicosia.

harmonizes national laws with European standards. For this purpose the EUPSO has commissioned experts to consult with national authorities and to train civil servants. Again, as a result of the policy of non-recognition, this relationship is not formalized. The official position towards the Turkish Cypriot population is that the EU only assists in modernizing the administration.[123] The EU harbours the suspicion that the Turkish government is boycotting this initiative, especially since many recently trained Cypriot employees in the administration had been made redundant and were later replaced by Turkish employees, unskilled in EU law.[124]

3.4 Granting more autonomy for reunification? An alternative approach

Cypriots on both sides of the Green Line, who see a trade-off between TRCN sovereignty and territorial compensation for Greek Cypriots, are discussing a set of confidence building measures that differs to the EU initiatives:[125]

I. Opening the 'ghost city' of Varosha[126] in Famagusta under UN-administration to its former inhabitants. This would enable the return of property to a considerably number of Greek Cypriot IDPs prior to an official settlement. Rebuilding the city would also result in economic opportunity for Greek Cypriot and Turkish Cypriot entrepreneurs.

II. Opening of Ercan Airport in North Nicosia under UN-administration (but effectively operated by the TRNC administration) for international cargo and passengers in order to help overcome the

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[123] TRNC Prime Minister Office - European Union Coordination Centre, Interview 9.11.2011

[124] EC, Confidential Source, Nicosia, Interview 01.03.2012

[125] Suggestions based on Sözen, Ahmet, 'Solving Cyprus by blending Idealism with Pragmatism' in: Ker-Lindsay, James (ed.) *Resolving Cyprus: New Approaches to Conflict Resolution* (London: I.B.Tauris, forthcoming 2014); but also mentioned in diverse interview such as Kanol, Bülent, Management Center, 07.03.2013 Nicosia or EC, Confidential Source, Interview 04.03.2013

[126] Varosha is a highly symbolic place and has become of great emotional importance to the Greek Cypriot community. It used to be the most popular tourist destination in Cyprus prior to the 1974 events. When the Turkish army gained control of the area during the intervention, they fenced it off and have since barred admittance to anyone except Turkish military and the UN.

III.   Likewise, the opening of the Famagusta port for direct trade with the EU. This again would formally be under UN or EU administration but effectively under the control of the Turkish Cypriot administration.

IV.   Withdrawal of a symbolic number of Turkish troops from Cyprus (suggested are 5000 – 10000 soldiers)

V.   Turkey opens its ports to ships sailing under the Republic of Cyprus' flag; in return for the RoC's support for EU accession negotiations with Turkey.[128]

Some of the proposed confidence building measures would indeed only recognise already existing realities on the ground. Ercan airport,[129] currently labelled as an illegal airport in the 'occupied territories' by the RoC, for instance, has experienced a growing number of passengers over the past year.[130] This includes a high number of Greek Cypriots and international tourists who take advantage of the lower flight fares. It would, however, be an enormous political step for any government in the south to move beyond the rhetoric of occupation and accept this set of proposals.

3.5   Conclusion

Non-territorial autonomy, as envisaged in the 1960 constitution failed to enable peaceful co-existence between Greek and Turkish Cypriots who used to live in ethnically intermixed communities. In Cyprus, territorial separation, *de facto* autonomy and self-determination have resulted from violent conflict. In a situation of open warfare, closing

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[127] Trust in international institutions has significantly deteriorated since the failure of the Annan Plan in 2004 (see Sözen, 2014).

[128] The rationale behind this would be that the closer Turkey comes to EU accession, the more conciliatory it would act on the Cyprus conflict. That however, rests on the same notion as the idea that the 2004 EU accession would act as a catalyst for the Cyprus problem.

[129] Currently all flights from and to airport need to connect via an airport in Turkey

[130] Evripidou , Stefanos 'Concern over increased air traffic at Tymbou' in Cyprus Mail [17.01.2013, online] available from http://www.cyprus-mail.com/airport/concern-over-increased-air-traffic-tymbou/20130117 accessed 25.03.2013

the Green Line has proven effective in ending inter-ethnic violence. Over time, however, the territorial and political separation of the conflict parties has added new layers to the conflict, which are now dominating Cyprus' conflict dynamics. Ever since, the questions of territory, refugees and property rights have dominated elite negotiations and might become key to the distribution of territory if a bi-zonal bi-communal agreement can be reached. Any form of power sharing will certainly be linked to territorial zones in Cyprus. It seems, however, that any feasible solution will have to involve a reunification of the island in some form. Even amongst moderate Greek Cypriots, preserving the sovereignty of the island as a distinct unit is considered an important reason for contesting the existence of the TRNC.[131] This stance reflects the Westphalian notion of territorial integrity and sovereignty as being fundamental to the functioning of the international system. The nation-state is not yet becoming a relict of the past 'but instead compromising with the international environment'.[132]

Territorial separation as well as institutional and economic autonomy have not proven to be a panacea for the Turkish Cypriot community either. Instead, they have brought about (economic) isolation and financial dependency on Turkey, raising the question how much self-determination Turkish Cypriots really gained. This is reflected in the dispute between Turkish Cypriots and mainland Turks and the growing resistance against Turkey's push for governance reform, which are perceived as pro-Turkish instead of pro-Cypriot. The growing socio-economic gap between the south and the relatively poor north is just one of the side-effects of non-recognition. Development policies implemented by the EU were not able to bridge this gap effectively and bring the two communities closer together.

The EU seeks to prevent permanent secessions through economic integrating and closer political co-operation between the two parts, while carefully following a policy of engagement without recognition with the TRCN according to the Green Line Regulation. Economic interdependence, however, has not proven to be a successful tool for conflict resolution. The Green Line regulation is often opposed by Greek Cypriots for reasons of

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[131] Ker-Lindasy, *Responses to Secession*
[132] Berg, *Revisiting territoriality and sovereignty in Cyprus*

ethno-nationalism and fear for their own economic situation. While additional products are being added to the list of goods eligible for inter-community trade, actual trade is declining. With the current economic crisis in the south it is hard to imagine that Greek Cypriots will accept competition from the north, as evidenced by the recent 'potato-case'. However, some Cypriots and observers regard the crisis as a chance that could bring the two communities closer together.[133]

Alternative ideas, as the suggested confidence building measures, might not effectively promote conflict solution either. Such initiatives do suggest a shift in the approach to the conflict though. In exchange for granting more autonomy to the TRNC, parts of the annexed land could be returned to Greek Cypriots, waiting to return to their properties. Instead of interdependence, however, this would mean more independence for the secessionist entity and, as some officials fear, entail a process of 'creeping recognition'.[134]

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[133] Kyris, George 'Cyprus's economic woes could help resolve the island's dispute', *Cyprus Mail* (28.03.2013, online).
[134] UNFICYP. Confidential Source, Interview 07.03.2013, Nicosia.

IV   Georgia and Abkhazia

By Nona Mikhelidze, Istituto Affari Internazionali (IAI)

4.1   Introduction

The European Union's premise in its engagement with Georgia's territorial conflicts is an endorsement of Georgia's territorial integrity and sovereignty and thus its non-recognition of the *de facto* independence of Abkhazia. Within this framework, the EU's governance initiatives in Georgia are focused on the promotion of democracy, the rule of law and development. In the EU's view, conflict resolution in Georgia will come about in the long run if Georgia becomes more attractive for the separatist entities. Most of its assistance programmes have been carried out in the framework of the European Neighbourhood Policy (ENP) and Eastern Partnership (EaP). The EU's Instrument for Stability (IfS) has tried to complement the ENP and EaP with direct conflict resolution governance initiatives, with projects such as 'Support to Mitigate the Consequences of the recent armed Conflict in Georgia', 'Support confidence building measures and de-conflicting after the armed conflict in Georgia in August 2008' and 'Support for Georgian efforts to overcome its political crises and to deepen its democratic reforms'.[135] However, whereas prior to the 2008 war between Georgia and Russia, the EU's governance initiatives were characterized by conditionality and were largely detached from conflict dynamics, since then the picture has changed: the promotion of democracy and the use of conditionality have been challenged by the Georgian-Abkhaz peace process.

Between the 2003 Rose Revolution and the August 2008 war, the Georgian government attached prime importance to hard power, i.e. to its military build-up, while casting (and covering) this through a broader peace-building rhetoric. Statebuilding reforms were concentrated on the reconstruction of infrastructure, city rehabilitation projects, the establishment of patrol police, the creation of free industrial zones, establishing a liberal tax policy, the privatization of state property, the introduction of a

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[135] Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2010 Annual Report on the Instrument for Stability, Part I, European Commission, Commission Staff Working Paper Brussels, 16.8.2011 SEC(2011) 1000 final.

liberal labour code and a free trade regime with the neighbouring countries. The challenges to democracy, good governance, the rule of law, media freedom and the judiciary were neglected or tackled superficially. This form of governance was reflected in Georgia's approach to Abkhazia and its governance initiatives aimed at conflict resolution.

Bearing this context in mind, the study will explore the connection between governance and conflict resolution. It will analyse what are the modes of Georgian and EU governance in Georgia. Is governance shaped by conflict or does the culture of governance shape conflict resolution initiatives? How legitimate are state institutions and local practices of governance? Is governance used for conflict resolution or to pacify people? Are conflicts driven by bottom-up or top-down dynamics?

4.2   Georgian culture of governance: from state-building to direct governance initiatives in conflict resolution

After the 2003 Rose Revolution, Georgia entered a new phase of political transition focused on the challenge of building a functioning and modern state free from corruption and criminality. In 2012 the result seemed to be relatively impressive. However, the way it was achieved raised some doubts about Georgia's capability to construct a state with solid democratic values. Georgia, having no experience in statehood, has faced real challenges in reconciling statebuilding and democracy. The struggle between these two concepts was epitomized in the fight against organized crime and widespread corruption, when the authorities acted on the assumption that without autocratic methods it would be impossible to achieve success in this field.[136] However, anticorruption measures helped Georgia to develop its economy rapidly. The elimination of endemic corruption remains 'an impressive achievement among post-Soviet states. As a result, most ordinary Georgians no longer have to pay bribes when driving, to gain admission into university,

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[136] Interview with the official of the Ministry of Internal Affaire in Georgia, Tbilisi, 11 October, 2011.

to buy an apartment, or to acquire a passport'.[137] Most of the financial resources raised in the fight against corruption have been invested in the reconstruction of infrastructure and activities to attract Foreign Direct Investments (FDIs) such as mass privatization of state property and maximum deregulation. All these economic reforms were guided by a libertarian Georgian businessmen, Kahkha Bendukidze under the slogan "we will sell everything, except our conscience". This economic governance policy bypassed certain social groups, however, as unemployment and poverty remained undefeated. Only in July 2012 the government decided to concentrate resources on social programmes (this decision coincides perfectly with the electoral campaign period). A State Ministry for Employment has been established and the government has started to invest in rural areas and health insurance for everyone.

Francois and Sud argue that 'states which fulfil the two core functions of security/territorial integrity and improvements in living standards possess performance legitimacy in the eyes of their citizens'.[138] Furthermore, they claim that in many developing societies 'general living standards mean minimal social services to struggle for daily survival. The capacity to deliver on these core services is a mean to secure legitimacy.[139] In the case of Georgia, territorial integrity was not fulfilled, but there was no expectation among the population that the government would succeed in restoring it in the short-run. On its way to statebuilding, the Georgian government has made the calculation (largely supported in the literature by Paris and others)[140] that the first thing to address are human needs, physical safety of the population and socio-economic stability, and only after think about fair elections and good governance. Following the Rose Revolution, statebuilding efforts were aimed at achieving external rather than internal legitimacy and securing a 'negative peace' or the absence of war. Later, by ensuring

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[137] Waal de, T. (2011) Georgia's Choices: Charting a Future in Uncertain Times, Carnegie Endowment For International Peace, Washington, Moscow, Beijing, Brussels.

[138] Francois, M. and Sud, I. (2006) Promoting Stability and Development in Fragile and Failed States, *Development Policy Review* 24(2): 42-77.

[139] Call, C. and Cousens, E. (2008) Ending Wars and Building Peace: International Responses to War-Torn Societies, *International Studies Perspectives* 9: 1-21.

[140] Paris, R. (2004) At War's End: Building Peace after Civil Conflict, Cambridge, UK and New York: Cambridge UP.

stability and minimal human needs, the government managed to gain internal legitimacy in the eyes of the population as well.

As argued by Ayoob, newly independent states, unlike West European ones, have had little time at their disposal for statebuilding. Such states fail to advance democracy and respect for human rights not because they lack capabilities, but rather because of their fear of jeopardizing internal security and stability.[141] Indeed another factor making state-building incompatible with democracy is the perception of the ruling elite (and of society) regarding the country's security and in particular the constant feeling of being in a 'no war no peace' situation and the accompanying fear of renewed military escalation with Russia that leads the government to concentrate all its political and financial resources in the security sector.

This top-down form of governance in turn contributed to the personalization of domestic politics and the centralization of power. Building political-social-economic institutions came with serious shortcomings in the rule of law, freedom of media, and the respect of private property, with an ensuing sense of injustice and frustration amongst the population. All this had negative effects on the peace process. Because of serious democratic shortcomings in Georgia, the Abkhaz did not consider Georgia as a state worth reintegrating into and where their rights would be respected.

Direct governance initiatives in conflict resolution

Over the years, the perceptions of Georgia and Abkhazia regarding the causes and actors involved in the conflict have determined all the agendas in the peace process. The conflict is multidimensional, including political, geopolitical, and ethno-political elements: Georgians believe that the Abkhaz are really Georgians and thus refuse the idea of interethnic incompatibility (the mixed Georgian-Abkhaz marriages before the 1992 war stands as evidence in favour of this interpretation). The Abkhaz instead consider

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[141] Ayoob, M. (2001) State-making, State-breaking and State-failure, in A. Chester, F.O.H. Crocker and P. Aal (eds.) Turbulent Peace: The Challenger of Managing International Conflict. Washington, DC: United States Institute of Peace Press.

themselves to be a different nation.[142] Because of the lack of communication and ensuing misunderstandings between these two communities, Georgians failed to appreciate Abkhaz fears about losing their identity. The Abkhaz instead failed to understand the real importance that Abkhazia had for Georgian statehood.[143] All this brought about a collision between the Georgian and Abkhaz national projects: Georgia seeing Abkhazia as an autonomous province of the country and Abkhazia seeking independence (or at the very least broad autonomy[144]).

Linked to the persisting Georgian denial of Abkhaz agency, the Georgian government recognizes only the political dimension of the conflict, considering it as part of the broader Georgian-Russian confrontation. Likewise nearly 59% of Georgian IDPs believe there is no conflict between the Abkhaz and Georgians, but rather between Georgia and Russia.[145] Around 60% declares that the conflict should be resolved by peaceful means and 85% are willing to return to Abkhazia in the case of its reintegration into the Georgian state.[146] Many believe that if Russia stopped fuelling the conflict, the latter could be resolved rapidly. The statement of then Russian president Medvedev, that the August 2008 war was the only way to stop NATO enlargement, strengthened these convictions.[147] Another factor that contributes to this approach is Russia's policy inside Abkhazia to exercise control over the local government's formation and policy making. Irakli Khintba, Deputy Foreign Minister of Abkhazia, admits that for outside observers the Ministry of Foreign Affairs of Abkhazia appears to be a department dealing exclusively with Abkhaz-Russian relations, given that the only actor the Abkhaz ministry

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[142] Akaba, N. (2011) Perceptions of the nature, underlying causes and consequences of the Georgian-Abkhaz conflict before August 2008, in N. Akaba and I. Khintba Transformation *of the Georgian-Abkhaz conflict: rethinking the paradigm.*

[143] Interview with the Georgian politician from the opposition party, Tbilisi, October 2012.

[144] In the interviews in Abkhazia many declared they were ready to accept a federation/confederation based settlement.

[145] Displacement in Georgia: IDPs attitudes to conflict, return and justice: An Analysis of Survey Findings, Conciliation Resources, April 2011.

[146] Ibidem.

[147] Medvedev: August War Stopped Georgia's NATO Membership, Civil Georgia, Tbilisi, 21 November, 2011.

has relations with is Russia.[148] Nevertheless, reality is different and includes also an ethnopolitical dimension of the conflict. Indeed for the Abkhaz, the conflict with Georgia is a 'struggle of values and identity'.[149]

The August 2008 war caused a contextual change in the Georgian-Abkhaz conflict. 'The Abkhaz point of view considers the events of August 2008 and the recognition of Abkhazia's independence [as] a logical outcome of the incompatibility between the Georgian national project and the ethno-political aspirations of the Abkhaz'.[150] Furthermore, the war changed the geopolitical situation, insofar as Russia re-affirmed that it is the only foreign actor to be reckoned with in its "near abroad". Indeed in Abkhaz opinion, the events of 2008 and the Russian recognition of the *de facto* states symbolized a 'Russian renaissance' in which Moscow could take important decisions without the backing of the international community.[151]

This reinforced Georgia's false belief that the conflict dynamic is determined only by Russia. Indeed the main governance initiatives of the Georgian government in conflict resolution since 2008 – the State Strategy on Occupied Territories: Engagement Through Cooperation (2010) and the Action Plan for Engagement (6 July 2010) – reflect the false perceptions on the issue. In these initiatives, the Georgian government fell into a double fallacy: first it erroneously considered the Abkhaz as occupied and second it did not recognize Abkhazia as a part of the conflict (whereas the latter attaches great importance to being recognized as a full-fledged party). The strategy speaks only about Russian responsibility in the conflict and says nothing about Georgia's. Thus it seems that the document was designed for international actors more than for the Abkhaz people.

However, it should be pointed out that the international community has also started viewing the conflict through the Georgian-Russian prism. On 9 July 2012, the OSCE Parliamentary Assembly passed a resolution on Georgia declaring Abkhazia and

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[148] Khintba, I. (2010) Consequences of the Withdrawal of the UN Mission and Prospects for International Presence in Abkhazia, in International Engagement in the Georgian-Abkhaz Conflict Resolution Process, International Alert, May.
[149] Ibidem.
[150] Khintba, I. (2011) The change in the context of the Georgian-Abkhaz conflict after August 2008, in N. Akaba and I. Khintba Transformation of the Georgian-Abkhaz conflict: rethinking the paradigm.
[151] Ibidem.

South Ossetia as 'occupied territories' and urging Russia 'as well as the *de facto* authorities of Abkhazia and South Ossetia to allow the European Union Monitoring Mission unimpeded access to the occupied territories'.[152] The US Senate also passed unanimously a resolution affirming 'that it is the policy of the United States to support the sovereignty, independence, and territorial integrity of Georgia and the inviolability of its borders, and to recognize Abkhazia and South Ossetia as regions of Georgia occupied by the Russian Federation'.[153]

Furthermore the US welcomed and recognized the Georgian government's Status Neutral Document (i.e. an identification document available to residents of Abkhazia who do not possess a Georgian citizenship) introduced in the framework of the State Strategy on Occupied Territories. US Secretary of State Hillary Clinton declared that this initiative is 'a strong step towards reconciliation'.[154] The document allows Abkhaz to travel abroad without having to accept Georgian citizenship. The holder of this document will be authorized to receive free healthcare services, secondary, vocational and higher education, including participation in exchange programmes and other benefits available to Georgian citizens. The document does not contain any Georgian state symbols. However it reports a country code – GEO – that makes the document unacceptable for the Abkhazs.[155] The document has been recognized by Japan, the Czech Republic, Slovenia, Latvia and Lithuania.[156]

The State Strategy aims further at creating conditions to develop trade, including the creation of financial conditions to stimulate trade, establishing a donors' fund for joint business projects, and drafting the necessary legal mechanisms to support business activity in Abkhazia and South Ossetia (e.g., the regulation of customs, taxation, and certification issues), creating special economic zones (e.g., in Gali and Ochamchire, as

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[152] OSCE Parliamentary Assembly Passes Resolution on Georgia, Civil Georgia, Tbilisi, 9 July 2012.
[153] S.ReS. 175. 112th CONGRESS 1st Session, Calendar No. 113, July 27, 2011, http://www.civil.ge/files/files/2011/SenateResolution175.pdf.
[154] Clinton Stresses Importance of Elections, Civil Georgia, 5 June, 2012.
[155] Sokhumi Slams U.S. Decision over Tbilisi's Neutral Travel Documents, Civil Georgia, Tbilisi, 7 June 2012.
[156] Interview with state official in Tbilisi, May, 2012.

well as border areas).[157] In this regard, President Saakashvili has expressed the intention of building a completely new city, Lazika, on Georgia's Black Sea coast close to Abkhazia. The Georgian parliament passed a constitutional amendment on a special (autonomous) status for Lazika. The city should become a 'huge financial center [...] having an absolute safety and guarantee of commercial transactions for local and foreign investors'.[158] The law has yet to be drafted, however according to President Saakashvili 'special status' means that 'there will be special form of governance, special jurisdiction for civil adjudication in order to make this place especially attractive for investments'.[159]

All other goals of the State Strategy seem to be rather long-run measures and indeed none of them have been realized yet. Generally it is hard to investigate what kind of small-scale projects are ongoing in the framework of this strategy[160] as on 28 June 2012 the Georgian parliament passed a law according to which part of its governance initiatives regarding conflict resolution have become state secret.[161]

 'The law of Georgia "On Occupied Territories," adopted on 23 October 2008, with amendments responding to recommendations of the Venice Commission in February 2010, defines the status of territories and places certain limitations on free migration, economic activities, real-estate transactions, and other activities in the occupied territories, and empowers the Government of Georgia to agree on implementation of those programs and projects in the occupied territories that meet humanitarian needs and promote confidence building'.[162] Thus all international organizations have to notify the State Ministry for Reintegration about any kind of activity they are going to carry out inside and regarding the conflict zones. However, according to officials as well as representatives of international organizations, local CSOs and EU diplomats in Georgia,

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[157] Government of Georgia, *State Strategy on Occupied Territories: Engagement Through Cooperation*, (2010). See also: Government of Georgia, *Action Plan for Engagement*, (2010), http://www.government.gov.ge/index.php?lang_id=ENG&sec_id=225.

[158] English Law System Mulled for Planned New City Lazika, Civil Georgia, Tbilisi, 16 June 2012.

[159] 'Special Status' for Planned New City Lazika, Civil Georgia, Tbilisi, 9 May 2012.

[160] supposedly they are promoted by local NGOs, but the type of civil society organisations, their activities and goals are largely unknown.

[161] Okupirebul teritoriebtan dakavshirebuli samtavrobo proektis natili saidumlo chdeba (Part of the Government's projects on Occupied Territories became secret), Civil Georgia, 28 June, 2012.

[162] Regulation of the Government of Georgia On Approval of Modalities for Engagement of Organizations Conducting Activities in the Occupied Territories of Georgia, Tbilisi October 2010.

most of the provisions have remained on paper. For instance, the coordinators of the COBERM project acknowledge that their notification to the State Ministry about planned projects is just a formality, as the government does not object such projects.[163] Indeed according to the same source as well as state officials, none of the proposed projects (ca. 70) have been rejected.

As for economic activities, here again, according to a CSO representative in Georgia (who is engaged in peacebuilding initiatives as well), such activities are regulated *de jure* but not *de facto*. An example are the Inguri cross-border activities, where Abkhaz cross the border for commercial purposes in order to reach not only the Zugdidi market (the first large city in Georgia close to the Abkhaz border) but Tbilisi as well, which is ca. 380km distance from Inguri. According to the same source, the Georgian police is well informed about these movements of Abkhaz with illegal Georgian license numbers, but they tend not to stop Abkhaz handlers.[164] Thus, in the view of a Georgian official this unofficial laissez-faire policy indirectly contributes to peacebuilding.[165]

Not officialising these economic relations is in the interest of the Abkhaz as well. All the Georgian governmental proposals on conflict resolution are premised on the restoration of Georgia's territorial integrity as an end goal. That is why the Abkhaz prefer to opt for irregular (illegal) economic interaction. The trans-Inguri activities are clear evidence of this. Over the years, goods and capital have continued to flow across the Inguri border. Also during the August 2008 war when the border was closed, Georgian capital continued to flow illegally into the Abkhaz market. Thus unregulated economy, including black markets and irregular border crossing, has become an indirect governance mechanism in conflict resolution and an opportunity for contact and reconciliation. However, this phenomenon also poses risks for formal conflict resolution regarding the

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[163] Interview with EU diplomat in Georgia, May, 2012.
[164] Interview with CSO representative in Georgia, Tbilisi, May 2012.
[165] Interview with state official in Tbilisi, May 2012.

benefits the parties accrue through these activities[166] (let alone the criminal dimension of these interactions).

The only official interaction between ordinary Abkhaz and Georgians, which has the potential of becoming a true bi-communal initiative, is the management of the Inguri hydro-electric station lying on the Abkhaz side of the Gali district in the village of Siberio. The plant is operated by 450 specialists, mainly Georgian citizens. The Georgian side guarantees full financing, rehabilitation and repair works (often by engaging foreign experts), etc. However, this cooperation has not remained purely Georgian-Abkhaz in nature, as in December 2008 Georgia decided to operate the Inguri hydro-power jointly with Russia. The Ministry of Energy of Georgia signed a memorandum with the Russian company 'Inter RAO ES' on the management of the Inguri hydro-power plant. It thus transformed once again an Abkhaz-Georgian issue into a Georgian-Russian one, delegitimizing the Abkhaz and demonstrating to the West that the Abkhaz have no voice even when it comes to dealing with a key issue such as hydro-power. Russia on its side did not consult the Abkhaz at all.

Another Georgian governance initiative in conflict resolution is the government's new policy towards the North Caucasus. As pointed out by Abkhaz CSO representative Natella Akaba, the Abkhaz have a special interest in remaining part of the North Caucasus and keeping their borders open with the region by developing cross-border cultural, human and economic contacts.[167] The Abkhaz have close cultural, linguistic and ethnic ties with the ethnic groups of the North Caucasus and especially with the Circassians. This may have motivated the Georgian parliament to recognize the 19th century deportations of the Circassians in the northwest Caucasus by the Russian Empire as genocide.[168] Furthermore, in 2012 Georgia's State Strategy towards the Peoples of the North Caucasus aims at advancing people-to-people contact and cooperation in the fields of the economy, education, healthcare and human rights. Already in 2010, Georgian

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[166] Cohen, J. (1999) Economic dimensions: The Georgia-Abkhazia peace process, Conciliation Resources, http://www.c-r.org/sites/www.c-r.org/files/Accord%2007_7Incentive%20or%20obstacle_1999_ENG.pdf.

[167] Akaba, N. (2011) Introduction: Relevance, theoretical and practical value of the study, in N. Akaba and I. Khintba Transformation of the Georgian-Abkhaz conflict: rethinking the paradigm.

[168] Georgia Adopts State Strategy on North Caucasus, Civil Georgia, Tbilisi, 30 June 2012.

President Saakashvili underlined the importance of the 'United Caucasus' at the UN General Assembly by declaring: 'We might belong to different states and live on different sides of the mountains, but in terms of human and cultural space, there is no North and South Caucasus, there is one Caucasus… I strongly believe that a common market, shared interests and political and economic interdependence will one day give birth to a united Caucasus'. Even if this strategy is not developed yet and one could only speculate as to what the government has in mind, some reflections could be still made. One of the aims of this North Caucasus strategy could be the soft containment of Abkhazia by winning over the Circassians and others and using North Caucasians as possible mediators in the peace process.

In order to create more opportunities for Georgian-Abkhazian interaction, the new government of Georgia declared its willingness to reconstruct and re-open the railway link with Russia through Abkhazia, which was interrupted after the Georgian-Abkhaz war of 1993. Having a confidence building character, the initiative is also part of a broader Georgian foreign policy to re-establish political and economic relations with Russia.

The victory of Bidzina Ivanishvili's coalition has brought a fundamental change in the Georgian-Abkhaz peace process. Unlike its predecessor, the new government of Georgia has recognized Abkhazia as an existing reality with its own voice regarding its future with which Georgia has somehow to engage. Thus Abkhazia has been recognized as a conflict party, at least unofficially, although Georgian Minister for Reintegration Paata Zakareishvili has declared that the government will continue to maintain its policy of non-recognition of the separatist entities.[169] This is the context in which Tbilisi has launched a new initiative for restoration of the Georgian-Abkhaz railway. The aim would be to develop economic relations between the conflict parties and in a way that contributes to confidence building.[170] Before these highly desirable expectations are met, the project faces key geopolitical and geo-economic challenges.

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[169] No plan to solve deadlock over occupied Georgian regions, Eurasia Daily Monitor, Volume 9, Issue 227, 12 December, 2013, http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=40232.

[170] Interview with a state official of the Ministry of Foreign Affairs, Tbilisi, Georgia, January 2013.

The opening of the railway is not a new idea. Several attempts were made in 2004-2005 to restore communication between Georgia and Abkhazia through the railway link. In 2005 the parties agreed that a research group consisting of Georgian, Abkhaz and Russian experts would visit Zugdidi, Gali and Ochamchire in order to study the state of the railway line there. Negotiations failed in 2005, however. If the project failed in 2005, why should it succeed today? There are two main reasons. Firstly, because in 2004 Tbilisi wanted to negotiate the issue only with Russia without engaging Abkhazia as a party to the conflict. Secondly, the former Georgian government made the offer conditional: in exchange for the opening of the railway, Tbilisi demanded the right of return of Georgian IDPs. The current Georgian government's approach is different: Tbilisi has declared its willingness to negotiate this issue with Abkhazia directly as well as other actors without posing any preconditions.[171]

'We need to promote the restoration of traffic through Abkhazia..[in order to] give Abkhazia an alternative so that its economic and transportation systems would not be tied only to Russia', Zakareishvili said.[172] Furthermore, he emphasized that 'restoration of the railway would help refugees return home and solve many problems [in long run].. Especially since the development of transport ties will contribute to the economic development of Abkhazia'.[173] Generally the Georgian minister hopes that economic cooperation would increase chances for resolving the Georgian-Abkhazian conflict. However, in order to bear success, any initiative should lack explicit political connotations and be couched solely in economic terms.[174] The initiative has found a positive echo in Georgia. According to the recent poll conducted by the National Democratic Institute (NDI), 68% of respondents said they would welcome a reestablishment of the railway link.[175]

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[171] Interview with a state official of the Ministry for Reintegration, Tbilisi, Georgia, January 2013.
[172] Georgia: The railway to Abkhazia, Georgia Times, Analytics, 2 November, 2012, www.georgiatimes.info/en.
[173] Georgia ready to create rail link to Russia, Kommersant, 2 November, 2012, http://en.gazeta.ru/news/2012/11/02/a_4838957.shtml
[174] Ibidem.
[175] NDI-Commissioned Public Opinion Survey, Civil Georgia, Tbilisi, 12 December, 2012, http://www.civil.ge/eng/article.php?id=25539.

As for Abkhaz attitudes towards the Georgian proposal, initially scepticism prevailed, insofar as the project touches upon Abkhaz-Russian relations. The Abkhaz recall in fact that in the 1990s, in order to re-open the railway and thus a possible connection with Armenia, Russia had been ready somehow to sacrifice Abkhaz national interests. The Abkhaz also doubted that Georgia would offer to reopen the rail link without preconditions (in exchange of refugee return, for example). However, the *de facto* Abkhaz president Alexander Ankvab later expressed his interest to study the issue. According to him, in Soviet times there were 24 freight and 12 passenger trains using the railway (13-15% of goods crossing the Caucasus), but the current benefits Abkhazia could reap from the rail link would need to be seriously assessed. In 2005 when the project was negotiated with the Saakashvili government, the expectations of Abkhazs were that they would collect customs and transit duties coming from cargoes travelling between Russia and Georgia. According to their calculations, Abkhazia would have received between 500 and 800,000 US dollars a month.[176]

This initiative can be considered as a compromise of the Georgian side in order to promote economic relations with Abkhazia and build confidence. Indeed, Tbilisi anticipates various political risks linked with the eventuality that this project could somehow upgrade Abkhazia's political status, facilitating its quest for independence. From the Georgian point of view economics cannot easily be separated from politics, and a particularly thorny issue will be the legal dimension of this initiative. 'The question of restoring railway communications is a purely economic problem and it ought not to be accompanied by political demands… If Georgians want to build trust between our peoples then it should happen through the economy and without any additional political demands', stated in 2005 then Abkhazia's Deputy Prime Minister Leonid Lakerbaia.[177] It remains to be seen whether Abkhaz officials will maintain this approach, i.e. considering the project only as an economic one without demanding political recognition. Abkhazian officials have already declared that 'Abkhazia should be the legal owner of its section of

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[176] Никто к руководству Абхазии по поводу возобновления сквозного железнодорожного сообщения через республику не обращался, 18 January, 2013, http://apsnypress.info/news/8086.html.

[177] Georgia: Georgia-Abkhaz railway – light at end of tunnel? ReliefWeb report, 27 July, 2005, http://reliefweb.int/.

the railway'.[178] Questions related to customs, border posts and security (e.g. who will obtain the right of inspection on the border between Russia and Abkhazia at the Psou river) are thus bound to become highly challenging issues.

Furthermore, opponents are sceptical that such economic projects will contribute to the reintegration of Abkhazia into the Georgian territory.[179] Minister Zakareishvili is aware this goal is not immediately within reach. For him the railway project is only in its initial phase, and it would take years to see implementation through. While initial economic benefits of the railway project could materialise within a few years after re-establishing the connection, progress on conflict resolution or reconciliation are only potential long-term prospects. However, 'the more economic projects with Georgia's participation are being carried out in Abkhazia, the greater is the chance to resolve the conflict'.[180]

4.3   EU governance in Georgia and conflicts

Indirect governance initiatives in conflict resolution

The European Union acts in Georgia through direct and indirect governance initiatives aimed at conflict resolution. Among the indirect mechanisms are the democracy promotion programmes carried out in the framework of the European Neighbourhood Policy (ENP) and Eastern Partnership (EaP). As mentioned above, while the EU's democracy policy prior to the August war was based on conditionality, the Georgian-Russian war changed this approach. Conditionality seems to have vanished in EU-Georgia relations, overshadowed by behind-the-scenes politics.

On 15 May 2012 the EU drafted a progress report on the implementation of the EU-Georgia ENP Action Plan[181] summarizing the main developments in the democracy

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[178] Fast tracking regional integration through Georgian-Russian railway link, Eurasia Review, 24 December, 2012, www.eurasiareview.com.

[179] Interview with several civil society representatives, Tbilisi, Georgia, January 2013.

[180] Georgia: The railway to Abkhazia, Op.cit.

[181] Implementation of the European Neighbourhood Policy in Georgia: Progress in 2011 and recommendations for action, JOINT STAFF WORKING DOCUMENT, European Commission,

and peacebuilding processes. The document acknowledges that Georgia has fulfilled the principal recommendations for launching negotiations on a Deep and Comprehensive Free Trade Area (DCFTA). Furthermore, the visa-dialogue between Georgia and the EU has been enhanced and further steps are expected towards visa liberalization. The report underlines Georgian achievements in the fight against corruption,[182] political and judicial reforms, security sector reform as well as in ensuring freedom of religion and the respect for labour rights. However, it also points out shortcomings in the freedom of assembly and of the media, in the electoral system, and in terms of patronage and the centralization of power, where the ruling party still uses 'state resources for political purposes'. Weak checks and balances remain a challenge, as the executive tends to dominate parliament and the judiciary, making the independence of the latter rather questionable.

Regarding the conflicts, the report states that 'the EU remained committed to and continued to fully support Georgia's territorial integrity and sovereignty and the peaceful resolution of the conflicts in Georgia'. In terms of actions, the EU Special Representative (EUSR) for the South Caucasus and the Crisis in Georgia has co-chaired the Geneva talks, and the EU Monitoring Mission (EUMM) has been active along the Administrative Boundary Line (ABL). The EUMM's lack of access to Abkhazia and South Ossetia however remains an essential challenge for the full implementation of the mandate. On Georgian governance in conflict resolution, the report is rather laconic, declaring only that Georgia 'took important steps in implementing its strategy for engagement towards the breakaway territories'. The EU invites Georgia, however, to review the law on Occupied Territories and to enhance further the de-isolation policy towards the secessionist entities. The 'Status Neutral Travel Documents' are welcomed, but the acceptance of these ID documents should not be considered as a precondition for providing social services and travel possibilities to the Abkhaz. The document emphasizes Georgia's constructive participation in the Geneva talks and invites Russia to make clear steps towards the non-use of force. The EU advises Georgia to implement

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High Representative of the European Union for Foreign Affairs and Security Policy, Brussels, 15.5.2012 SWD (2012) 114 final.

[182] The document refers to the Transparency International Corruption Perception Index of December 2011 ranking Georgia 64th out of the 182 countries with a score of 4.1 of 10 (the highest in the Eastern Partnership states).

further political, social and economical reforms, to make other steps in the protection of human rights, freedom of assembly and of the media. It also reminds the government that the special incentive arrangement for sustainable development – the GSP+ – within the EU Generalized System of Preferences (GSP) is conditional on the country's compliance with good governance criteria.[183]

Following the Eastern Partnership Summit in Warsaw in September 2011, the EU drafted an Eastern Partnership Roadmap, which includes both bilateral and multilateral dimensions and sets out policy guidelines for the eastern partners. The bilateral framework includes objectives such as (1) political association and economic integration; (2) enhanced mobility of citizens and (3) strengthened sectoral cooperation.[184] The document reaffirms that 'progress towards deep and sustainable democracy is crucial in terms of future relations between the EU and its Eastern European partners'... "More for more" – 'the more a partner country makes progress, the more support it will receive from the EU'. The additional funding (130 million EUR for 2012-13) is foreseen in the framework of a new programme – EaPIC (Eastern Partnership Integration and Cooperation).[185] EU Commissioner Stefan Füle declared that the "more for more" principle recognizes the government's progress in reforms and good governance. In concrete terms, it will translate into an additional financial allocation of € 22 million for the year 2012.[186] As for conflicts, the document underlines that the EU remains devoted to all existing formats aimed at stabilizing the region. More broadly, the EU considers that the EaP countries' further integration with the EU will help to stabilize the region and advance conflict settlement efforts.[187]

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[183] Implementation of the European Neighbourhood Policy in Georgia: Progress in 2011 and recommendations for action, op.Cit.

[184] Eastern Partnership: A Roadmap to the autumn 2013 Summit, Joint Communication to the European Parliament, The Council, the European Economic and Social Committee and the Committee of the Regions, European Commission, High Representative of the European Union for Foreign Affairs and Security Policy, Brussels 15.5.2012. JOIN (2012) 13 final.

[185] Ibidem.

[186] The Eastern Partnership, Georgia and the European Union, Article by Commissioner Stefan Füle for the Georgian press, http://eeas.europa.eu/delegations/georgia/documents/news/20120710_01_en.pdf.

[187] Eastern Partnership: A Roadmap to the autumn 2013 Summit, op.cit.

In contrast to this EU rhetoric, according to civil society representatives in Georgia, the EU tends not to apply conditionality towards Georgia in practice anymore. Notwithstanding the severe shortcomings in democratization, the EU's statements about Georgian governance are rather modest. Indeed, the newly drafted ENP Action Plan progress report acknowledges all the above mentioned shortcomings, but at the same time in the EaP document, the EU considers that the negotiations over an Association Agreements with Georgia should be advanced, if not finalized, by the autumn of 2013. During his official visit in Tbilisi in 2012, the European Council President Herman Van Rompuy declared that Georgia is one of the frontrunners in the Eastern Partnership and guaranteed the allocation of €22.[188] Also the visa liberalization dialogue with Georgia has been launched with an aim to examine all the relevant conditions for Georgian citizens to travel visa-free to the EU.[189]

The EU's lenient position towards Georgia's failures in democratization could have something to do with the EU's newly acquired role as a mediator between Georgia-Russia-Abkhazia in the framework of the Geneva talks. After the August war, Georgia's expectation vis-à-vis the European Union was that the latter would actively engage with and press the Kremlin on the fulfilment of the six-point agreement, envisaging the withdrawal of Russian forces from the conflict zones to the position held before the hostilities began in 2008. According to an unnamed source, Georgia is not pressing the EU on this issue anymore, as they have reached a silent agreement according to which Georgia accepts that the EU cannot compromise its relations with Moscow for Georgia's sake and in turn the EU closes an eye to shortcomings in Georgian domestic politics, especially with regard to democracy and the respect for human rights.[190]

Direct governance initiatives in conflict resolution

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[188] Van Rompuy hails Georgia's remarkable progress in reforms, EU Neighbourhood Info Centre, 5 July 2012, http://www.enpi-info.eu.

[189] EU, Georgia Launch Visa Liberalisation Talks, Civil Georgia, Tbilisi, 4 Jun. 2012, http://www.civil.ge/eng/article.php?id=24845.

[190] Interview with state official in Georgia, Tbilisi, May 2012; Interview with CSO representative in Georgia, Tbilisi, May 2012.

Following the August 2008 war, the EU has established an unarmed civilian monitoring mission (EUMM) in Georgia with the main responsibilities to report on the grievances of the populations in the areas adjacent to the South Ossetian and Abkhazian administrative boundary lines. Access to the territories under the control of the *de facto* authorities has so far been denied.[191] Beside this mechanism, the EU contributes to security in the region through its Special Representative to Georgia, who, together with the EU Delegation in Tbilisi, interacts with the Georgian State Ministry for Reintegration by providing policy advice regarding the Georgian 'State Strategy on the Occupied Territories: Engagement for Cooperation'.

Over the years, the EU has funded numerous projects designed for the conflict-affected people and aimed at the improvement of their living conditions. Its activities have included the rehabilitation of damaged houses, schools and hospitals as well as the promotion of small-scale agricultural programmes. In the framework of the Instrument for Stability (IfS), the EU has also financed projects with local (Abkhaz) NGOs in order to strengthen local civil society, the rule of law, governance and human rights. The EU has supported dialogue between civil society actors across dividing lines by financing, inter alia, the projects of International Alert: (1) The South Caucasus Mediation & Dialogue Initiative for Reignited Peace Processes, which facilitated dialogue and research exchanges between CSO representatives; and (2) Strengthening the Capacity of the Peacebuilding Sector in the South Caucasus, which promoted inclusive policy-making in the region by strengthening dialogue between non-state actors and decision-makers from different sides of the conflicts in Georgia, Armenia and Azerbaijan. These reports financed by the EU are valuable insofar as they provide a clear picture on the situation on the ground, but they have very limited impact on the peace process as such. There are two main reasons for this: (1) the authors (from both Georgia and Abkhaz side) tend to be selected from the same narrow pool of experts, meaning that exchange takes place only between elite experts and academics; (2) they often fail to reach the grassroots in both communities. Actually these activities risk becoming part of the 'peace industry', in which the conflict and the peace process become a source of profit for the actors involved.

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[191] European Union Monitoring Mission EUMM, http://www.eumm.eu/en/about_eumm.

A far more important bi-communal activity is the EU's new initiative – Confidence Building Early Response Mechanism (COBERM) – which started after the Georgian-Russian war. COBERM envisages small-scale projects and seeks 'to have a demonstrable impact on confidence building within and across conflict divided communities'. The initiative is administrated by UNDP in cooperation with the EU Delegation.[192]

One of the ongoing projects, first funded under the Instrument for Stability and later under COBERM is "Engagement Through Dialogue: Dialogue and Study Visits for the Transformation of the Georgian-Abkhazian and Georgian–Ossetian Conflicts." The aim is to empower young Georgian and Abkhaz professionals, to facilitate dialogue between them and deepen their understanding of political processes across the conflict divide. The project contains a series of training sessions conducted in Georgia and in Abkhazia. Unlike many other projects carried out by international organizations, Dialogue Through Engagement foresees an ongoing rotation of participants, which enlarges the net of involved people and thus enhances the effectiveness of the project. The workshop topics are chosen from issues in day-to-day political life and the perceptions of these processes by the different sides. The project also intends to build the capacities of young leaders to think about complex solutions as challenges their societies face and to explore the possibilities and limits of confidence building processes.[193] The Abkhaz participants are young activists in local political life. Therefore, countering stereotypes and prejudice they have towards their Georgian counterparts is essential. Because of the sensitivity of this project, dissemination of its content and outcomes is restricted. Especially after an incident in which a Georgian newspaper published an article about a successful Georgian and Abkhaz meeting, the Abkhaz threatened to leave the project.[194] A widespread idea among the Abkhaz is that engaging with Georgians means somehow being less patriotic.

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[192] Overview of EC Assistance to People Affected by Conflict in Georgia, European Union, Delegation to Georgia, May 2010.
[193] Interview with CSO representative in Georgia, Tbilisi, May 2012.
[194] Interview with CSO representative actively engaged with the project, Tbilisi, May 2012.

Another project financed by COBERM in 2011 was "Researching the identity of the Abkhazians living in Ajaria" carried out by the Institute of Abkhazian Language and Culture of the Sokhumi State University (Tbilisi branch). The direct goal was to study the ethnic, linguistic, religious and cultural identity of the Abkhaz living in Ajaria since the 19th century. The indirect aim was to build trust between Georgians and Abkhaz living in Abkhazia by demonstrating to them that Georgian academics and researchers care about Abkhazian identity issues. The Georgian Institute's invitation to the Abkhaz to participate in the project was rejected by the latter. However, according to the project coordinator, the Abkhaz were pleased about this initiative and the publication of the research results (in Georgian, Abkhaz and Russian) were disseminated in Sokhumi as well.[195]

The COBERM project "Archives without borders" has contributed further to Georgian-Abkhaz confidence building. During the 1992 war Abkhazian archives were burned in Sokhumi. In light of this, the project sought to scan and recover the data about Abkhazia stored in the Georgian State Archive and hand them over to the Abkhaz authorities.[196]

COBERM is therefore playing a valuable role in the conflict resolution process with 68 projects financed up until now. However, the lack of information about implemented projects remains a main challenge for the EU/UNDP: ordinary Abkhaz and Georgians are unaware of these initiatives. In general, it is hard to get information as UNDP representatives are reserved about these projects allegedly because of their sensitivity.[197] Yet an excessive emphasis on the sensitive nature of this conflict resolution approach sometimes hampers the implementation of certain projects. For instance, the Georgian government claims that, according to the EU, the peace process is too sensitive and therefore does not finance any projects foreseeing meetings between Abkhaz and Georgians in Georgia. According to a state official, the Ministry for Reintegration was planning to organize a summer camp of Georgian and Abkhaz children on the Black Sea coast (near Batumi) with COBERM funding. The initiative was initially rejected on the grounds that the Abkhaz would have never agreed to participate in a programme

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[195] Interview with Sokhumi State University (Tbilisi branch) Professor, Tbilisi, May 2012.
[196] Interview with CSO representative in Georgia, Tbilisi, May 2012.
[197] Interview with representative of UNDP in Georgia, Tbilisi, May 2012.

implemented on Georgian territory and therefore the summer camp had to be organized abroad. However, after pressures by the Georgian government, the initiative was realized within Georgia with partial COBERM funding.[198]

According to the Georgian government, COBERM should fund projects, which bring Abkhazians to Georgia, as only in this way can stereotypes and prejudices be effectively fought. According to the same source, in the framework of the State Strategy, some confidence building projects have already been carried out, such as the visit of Abkhaz teachers and medical scientists to Tbilisi to meet with their Georgian counterparts. This demonstrates that Abkhazians can participate in projects within Georgian territory.[199]

4.4   Conclusions and recommendations

The culture of governance characterized by a top-down managed democracy, a semi-militarized and securitized state, the creation of enemy images and the fear of renewed war, and the conflict resolution initiatives promoted by President Saakashvili all serve to perpetuate the power of political elites in Georgia. These practices foster a hybrid peace, which, however, is not "always desirable […] as it may represent a combination of negative practices of the local and international governance initiatives. In some cases hybrid political regimes may combine (semi-) authoritarian rule and democracy".[200] In the case of Georgia, international EU initiatives have accommodated local Georgian governance initiatives in support of the statebuilding process.[201] This, however, has had largely negative effects on the peace process, as Georgia has failed to demonstrate that it is an attractive country in which the Abkhaz community could reintegrate.

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[198] Interview with state official in Tbilisi, May 2012; and Interview with representative of COBERM, May 2012.
[199] Interview with state official, Tbilisi, May 2012.
[200] D.2.1 Background report and work plan, Deliverable submitted May 2011(M5) in fulfilment of requirements of the FP7 project, Cultures of Governance and Conflict Resolution in Europe and India (CORE).
[201] Ibidem.

The Georgian government should completely redesign its governance approaches by choosing the right interlocutor – the de facto Abkhaz government and ordinary local people. Tbilisi should not hope for any compromise from the Russian side, nor should it have any expectations that the EU will engage Russia seriously on the Abkhaz question (which the Georgian authorities have increasingly realised as of late). The August 2008 war was a clear demonstration that the West will not damage its relations with Russia for the sake of Georgia. Likewise, Abkhazia should abandon any hope for international involvement in Abkhazia. The post-war period and the evolving Georgia-EU and Georgia-US relations should signal to the Abkhazians that none of these actors will question their relations with Georgia for the sake of Abkhazia. The room for manoeuvre is rather narrow for both conflict parties. Therefore, both should revise their strategies, abandon unrealistic demands and expectations, and adapt their policies accordingly. On its side, international governmental (and non) actors have to revise their strategy towards the conflicts. The EU should return to conditionality when tackling Georgian domestic issues, as Georgia is a developing democracy and should not be left to its own devices.

Nevertheless all domestic and international state/non-state actors agree that managed democracy in Georgia is unsustainable, as Georgia and its government simply have no choice other than becoming fully democratic. In the absence of natural resources, Georgia's only resource is the political and economic support of the West. Consequently, it will be forced to undertake a successful transition to democracy. This said, democracy has not consolidated yet and the EU and Georgia have reached what Barnett and Zürcher call "compromised peacebuilding":[202] in order to ensure a negative peace the two sides agree on a programme, which reflects the external need for stability (for the EU) and the local desire (in Georgia) to ensure that reforms do not threaten the ruling elite's power base.

Meanwhile, helplessness and the conviction that nothing can resolve the Georgian-Abkhaz conflict are the prevalent feelings among Georgians (especially the IDPs). Neither Georgians nor Abkhazians look to the EU for conflict resolution.

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[202] Barnett, M. and Zurcher, Ch. (2008) The Peacebuilder Contract, in R. Paris and T. Sisk The Dilemmas of Statebuilding: Confronting the Contradictions of Post-war Peace Operation, New York: Routledge.

According to the Abkhaz, the EU never goes beyond statements asserting its readiness to assist the Georgian-Abkhaz negotiation process.[203] Ordinary people on both sides tend to have only a superficial view of EU policies and confidence building measures (including COBERM). Abkhaz civil society distrusts the EU. As pointed out by a CSO representative, the Abkhazians 'need a process of confidence building with the EU itself, before [they] can talk about confidence building with Georgia'.[204] Locals suspect that the EU is merely an external player intent on competing with Russia. The same perception is widespread among Georgians. Neither the government nor the population believes that there is a margin for reconciliation between Abkhazians and Georgians, given the entrenched belief that the conflict dynamic is determined only by Russia. As the Georgian expert Ivlain Haindrava points out: in 'Georgian consciousness [during the whole Soviet period as well as nowadays] it was Russian imperialism and that alone which was the source of all evil; Abkhaz problems were relegated to second place as a mere consequence of Russian imperial intrigues. This resulted in Georgians ignoring Abkhaz interests (which is an insult to the Abkhaz) and Abkhaz blaming Georgians for everything (which is unfair to Georgians). The main risk is that Abkhazia will become neither Georgian nor Abkhaz, nor will it become their common country'.[205]

Perhaps opening the Abkhaz railway could contribute to confidence building between Georgians and Abkhazians by encouraging joint economic activity between the two. True, the legal implications will emerge around the railway project and Tbilisi could face huge difficulties on how the borders, customs and security issues should be regulated. In such case the WTO agreement between Georgia and Russia could offer a way out. According to the deal, reached through Swiss mediation, trade at the borders of disputed territories is supposed to be monitored by a neutral private company, which

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[203] Khintba, I. (2011) Main stages in the negotiation process (1993-2008): evolution of approaches and analysis of results, in N. Akaba and I. Khintba Transformation of the Georgian-Abkhaz conflict: rethinking the paradigm.

[204] People's Peacemaking Perspectives: The Georgian-Abkhaz Conflict, Conciliation Resources, March 2012.

[205] Haindrava, I. (2011) Perceptions of the Georgian-Abkhaz conflict before August 2008, in A. Gegeshidze and I. Haindrava Transformation of the Georgian-Abkhaz conflict: rethinking the paradigm.

would be accountable to the Swiss government but hired by Georgia and Russia.[206] In the same agreement, the Abkhaz territory is defined as a "trade corridor", which according to President Ankvab was not a 'reason for worrying'.[207]

Furthermore Tbilisi could encourage the EU to contribute to the implementation of the project in the framework of its "engagement without recognition" policy towards the secessionist entities. Reconstruction of the railroad would require significant funding. By inviting the EU to sponsor the project, Tbilisi could both improve the economic feasibility of the railway link and remove Western suspicions of the government's rapprochement with Russia.

As for the broader question of whether opening the Abkhazian railway would settle the conflict, the Georgian government is not under any illusions. The initiative is seen as a tool to build confidence among the parties. As the Georgian Minister for Reintegration himself recognizes: 'We'll not return Abkhazia [to Georgia] by opening the road communication but the railway would be one of the factors to build relations with Abkhazia'.[208]

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[206] Georgia-Russia WTO Deal in Details, 18 November, 2011,
http://www.civil.ge/eng/article.php?id=24158.
[207] Abkhaz leader on Georgia-Russia WTO deal, 8 December, 2011,
http://www.georgiatoday.ge/article_details.php?id=9692.
[208] Zakareishvili, P: We will not return Abkhazia by opening railway communication but the railway will be one of the factors to build relations with Abkhazia, 5 November, 2012,
http://www.commersant.ge/eng/?id=3581.

V   Jammu and Kashmir

By Sumona DasGupta, Society for Participatory Research in Asia (PRIA)

5.1   Self-determination and decentralisation

At the outset (with reference to the Indian-administered Jammu and Kashmir case study) a clear distinction needs to be drawn between demands for self-determination and decentralization. The demand for self-determination is articulated in Indian-administered Kashmir primarily by the All Party Hurriyat Conference (APHC), representing a set of political, social and religious groups who have come together under an umbrella organization and in their interpretation of the UNSC resolutions on the issue of plebiscite. Their legal self-determination argument is contextualized with reference to the UN resolutions on Kashmir. On 1 January 1948 India launched a complaint in the UN Security Council under Article 35 (Chapter VI) of the UN Charter charging Pakistan with 'aiding and abetting' the Pakistani tribal invasion in Jammu and Kashmir and claiming that all territory of the former kingdom of Hari Singh legally belonged to India following the signing of the instrument of accession to India by the king. Over the next 17 years (till 1971 when the Simla agreement was signed) the UN was to pass as many as 23 resolutions some of which mentioned a plebiscite. All of them are of course advisory in nature. The UN resolution 47 of 21 April 1948 specifically talked about holding a UN-supervised plebiscite in the (Princely) State of Jammu and Kashmir to determine the aspirations of her people to be organized by a UN-appointed plebiscite administrator – a provision that was grouped with other recommendations such as the cessation of hostilities between India and Pakistan, the withdrawal of all Pakistani troops and tribesmen as well as the bulk of the Indian troops (except for a minimal number required for maintaining law order), allowing the return of refugees, the release of political prisoners, etc. The Hurriyat and other separatists cite this and other UN resolutions and proposals to make their case for self-determination.

India's stance has been that the conditions for plebiscite also entailed other conditions notably troop withdrawal by Pakistan, which had been ignored. It also argues that the people of Jammu and Kashmir have elected their own legislative assembly, sent

members to the Indian parliament and have been legally integrated into India following the signing of the instrument of accession.

Apart from self-determination there is also the PDP's concept of self-rule that stops short of accession and refers to "a new political superstructure that integrates the region and empowers sub-regions; a phased economic integration that transcends borders; and a constitutional restructuring that ensures sharing of sovereignty without compromising the political sovereignty of either nation state."

The discourse around "autonomy" has taken different shapes – one of which has been the Autonomous Hill Council in Ladakh. These are not to be conflated with the issues around decentralization, which currently revolve around the issue of "local self-governance". The first genuine step in this direction was taken in 2011 with the holding of the village council elections (*halqa panchayats* as they are known in Jammu and Kashmir) in all parts of Jammu and Kashmir in 17 phases. The voter turn out was unprecedented and the elections were perceived to be fair and free. However, the polls were contested around infrastructural issues, such as the politics of water, electricity and roads. In the minds of the people it was done without prejudice to the larger debate on self-determination and the popular term *azadi* (independence, though it could mean different things to different people). The temptation of the political leadership in New Delhi to interpret this massive turnout as a vote against Pakistan and terrorism has caused much resentment in the local population, which participated in local governance in the pursuit of other political and economic objectives (on this see my policy brief on JK elections).

5.2   Territorial separation between conflict parties

There are all manners of "lines" in Jammu and Kashmir. In my article in the journal of Borderland Studies I refer to these citing B.G. Verghese: "There are, in fact, not one but several controversial cartographic frontiers in Jammu and Kashmir—the international border between Jammu and Kashmir and Pakistan that is known as the working border in Pakistan; the ceasefire line (CFL) of 1949 that was re-designated as the

line of control (LOC) in 1972; the extension of the LOC beyond the last cited grid reference (NJ 9842) in the icy heights of the Siachen, a sector which is known as the actual ground position line (AGPL); and finally the segment east of AGPL, bordering on or controlled by China which is known as the line of actual control or LAC (Verghese 2006, 15)."

The ceasefire line known as line of control has been the site of violent clashes, which has sporadically continued despite the ceasefire at the international border. These lines have not ended hostilities. Rather, an uneasy calm prevails under the current ceasefire at the international border (declared in 2003), which is periodically violated and broken. The line of control and the international border are highly militarized sites. In some places, Indian and Pakistani troops are in visual range of each other across a line that neither accepts as final.

The militarized separation has made it difficult to engage in cross-border initiatives. Despite restrictive visa regimes, a series of inter-communal confidence building measures (CBM) have been initiated in Jammu and Kashmir including cross-border trade and travel. The fate of these initiatives often depends on the current political situation though. Following the killing of two Indian soldiers allegedly by the Pakistani army, for instance, trade and travel was suspended on 8 January but has been resumed in the meantime. The trade and travel arrangements across the border are seen as two of the biggest CBMs in Indo-Pakistani relations (see for instance Suba Chandran of IPCS and PRIA's fieldwork on border areas). One impact of the trade and travel facilitation has been increased people-to-people contact, which has been a positive development. Our fieldwork report on borders further highlights the positive emotions generated by this move.

5.3   Development policy: autonomy or dependency?

Here I am directing your attention to my article "Pacification is not peacebuilding" published by Berghoff after the Berlin workshop, in which I have addressed the political economy of violence and the seductive allure of development packages which never

reach the people for whom they were designed. This raises vital questions on the ultimate destination of those development funds.

VI   Northeast India

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6.1   Self-determination and decentralisation

One of the colonial measures for peacebuilding was to grant limited autonomy. It was considered the best solution. In terms of peacekeeping this was the main message of the India Act of 1935; the Act provided two more messages as norms of governance - constitutionalism and rule of law as the main planks to retain political stability, and faith in the effectiveness of a policy of territorial reorganisation that included methods of partitioning and boundary-making exercises in order to reinforce control. Thus even though under the 1935 Act some measure of autonomy was granted to the provinces of British India, the Act provided final powers for the union government in the event of irresponsible conduct by the provincial government. People were to be responsible for their conduct that is to say they had to behave responsibly as subjects of the rule of law; provincial government had to discharge responsibility to the union government so that constitutional order could maintain itself; the union government had to be responsible to the King so that the liberal empire could serve its historical mission; and finally the King had the mission to look after the development and welfare of the subjects till they grew into citizens. In this discriminatory history of responsibility lay the roots of liberal peacebuilding.

In the post-colonial situation, available forms of self-government (franchise, limited autonomy, decentralisation, public hearings, etc.) gradually became sites of contention and grounds on which the next round of the perennial conflict between those who govern and those who are governed would be fought. Further we must remember that not only these principles were re-affirmed in the post-colonial era (such as, elaboration of norms of responsible politics through rounds of administrative, fiscal, financial, and legal reforms), reorganising the component states, creating autonomous areas within the states, establishing electoral laws as the alternative to dissent, insubordination, and rebellion, and finally, affirming the rule of law through judicial mechanisms). They became the basis of other technologies to determine the ratio between violence and persuasion.

As in the Naga case, government-rebel dialogues set up a model of agreement, which later peace dialogues would find difficult to escape. Characteristic of such dialogues are the inevitable legal shackles on discussion between the two adversaries in the name of obligations to the constitution, top-level presence of government leaders and officials giving adversaries an appearance of state recognition, prolonged ceasefire without conceding anything substantive from the government side, the granting of limited autonomy under Article 371 (A), and introducing various interim arrangements that assume a life of their own and continue without ever giving over to a resolution of the question.

One can get a sense of this by recapitulating the series of governing measures – territorial reorganisation, peace accords, limited autonomy to assertive groups, protracted ceasefire negotiations, regrouping of villages, extensive privatisation, money laundering and other deliberate measures to encourage corruption, elections at gunpoint, accompanied with expansion of rational modes of governance meaning mainly expansion of banking, enlargement of government offices (with nothing to govern), recruitment in the army and paramilitary services, ethnic management, anti-migration measures, border policing of the most virulent type, allowing loot of natural resources such as timber, etc. These measures were not put in place in one day. They have developed over the years.

Of these measures two have been of special importance: territorial reorganisation and the introduction of limited autonomy in the states of the Northeast. The autonomous arrangements have reorganised the states internally while the North East Reorganisation Act externally reorganised the states. Possibly of greater importance has been the introduction of autonomy as a result of the peace accords. These autonomous arrangements have been part of the governance structure in the Northeast in states such as Assam, Mizoram, Tripura, and Meghalaya. They influence the pattern of conflicts; they give an idea of the governmental resources available for co-optation and sharing, the size of the territory to control, and the volume of population to govern. They enable the elites of different ethnic groups to influence politics in a specific way. They are a major dimension of the governance of peacebuilding. In Tripura they proved most successful, while in Assam they reoriented conflict in a fundamental way.

We can notice here the significance of these measures in terms of the sociology of governance and peacebuilding. These autonomous arrangements, and in general the peace accords as an instrument of rule have been able to shift the terrain of contest: from sovereignty to the task of governance, thereby preparing the ground for the introduction of social governance. They have also ironically accomplished one more thing – except in the minds of certain visionaries and rebel leaders and forces, they have put an end to any dream of making the Northeast a single theatre of rebellion. Autonomy along ethnic lines has vivisected the people; and as territory has been put to repeated reorganisation, the idea of a Northeast as a theatre of coordinated battles by subjugated peoples of the region has receded notwithstanding mutual help by rebel movements at times. Sovereignty is no more the key word in this new order of battle, in which people still join and still clamour for justice, but whose pace is moderated by the emerging local elites. The word now denotes other terrains of battle yet to be formally acknowledged. And what does the new "sociological government" want to do in relation to the society, which now becomes the object of its intervention? It achieves precisely what sovereignty wanted but met with ferocious resistance and could not accomplish, namely regulates these societies through a network of (apparently competing) authorities introducing the market as the regulator of life.

The constitution provides a special status for certain states such as Jammu and Kashmir, Nagaland, Sikkim, Assam, Manipur, Arunachal Pradesh in Articles 370 to 371H. The constitution also embodies the principle of non-discrimination in Articles 14, 15, 16, 19 and 29. It assures freedom of conscience in Article 25 and freedom to manage religious affairs in Article 26. Article 30 ensures the right of minorities to establish and administer their own educational institutions. Under the special protection clause in Article 371, tribal customary laws, procedures, and land rights are protected. Part XVI ensures special provisions for scheduled castes, scheduled tribes and other backward classes. There are arrangements for regional councils. The States Reorganization Commission ensured statehood for major linguistic groups. There is provision for autonomous district councils in scheduled tribe dominated districts. The 73rd and 74th amendments to the constitution ensured devolution of powers at village and town level. Similarly the constitution arranged for financial autonomy of the states through a

constitutionally prescribed division of resources and the National Finance Commission. Apart from creating new states (some very recently) and autonomy for some states in particular, a range of accords and unilateral measures on Darjeeling, Bodoland, Leh, North Cachar Hills, Karbi-Anglong district, Khasi district, Jaintia Hills district, Tripura Tribal Areas district, Chakma, Mara and La districts in Mizoram, created autonomous areas and district councils under the fifth and sixth schedules.

The pattern of combining nationhood with exceptional autonomies is significant. Is autonomy a part of the basic features of the constitution that the parliament should not touch? There is no clear answer whether the provisions of autonomy are inviolable or not in the context of the erosion of Article 370 providing for autonomy of the state of Jammu and Kashmir. The apex court never had autonomy in mind when commenting on the violability or the inviolability of the basic features that primarily meant fundamental rights, which have only one among it dealing with autonomy. According to the constitutional rationality, the democratic language is one of rights and not autonomy. Thus provisions such as Articles 14-16 (again combining exceptional discrimination on positive grounds), Articles 22-23, Article 25 (combining exceptional rights), Article 29, Articles 38-39 defining *common* welfare, securing *common* good and indeed laying down the constitutional basis of a welfare state, Articles 46-47, Articles under Part IX (the *panchayats*) intend to create a polity based on republicanism – that is, one nation, one people - while allowing autonomies as exceptional measures. It is not surprising therefore that even though provisions such as Article 244 (administration of scheduled areas – fifth and sixth schedules) form part of the constitution, they are inadequate to counter the wave of majoritarianism (repeated riots in Bodoland are an instance) that draws legitimacy from the republican ideology.

There is more to this unequal co-existence of nationalism and autonomy. For example, there is no uniform civil law. There are, on the contrary, a variety of personal laws and linguistic autonomy in some measure. The Indian constitutional and political system has evolved through at least a seventy year long history of a range of autonomies – administrative, cultural, religious, fiscal and legal-juridical. Yet, demands for the right of self-determination, ranging from more autonomy to secession, have risen frequently. If

some have mellowed, others have persisted and have grown insistent notwithstanding massive state-suppression and loss of lives. It began with the Muslim demand for self-determination in the pre-independence time and continues in various forms and at various levels still today. The constituent states have said that their legislative, administrative and financial autonomy is inadequate or has diminished. Kashmir says its autonomy is merely notional. Insurgents in the Northeast have said that granting statehood is a ploy to subsume them in Indian politics. Religious minorities say that they are under unprecedented attack from the fascist communal forces, belonging to the majority community backed by the state. The scheduled castes and tribes say that their deprivation, poverty and disempowerment have only grown. The legal-administrative measures for protecting autonomy such as the Minorities Commission, Human Rights Commission, Women's Commission, are severely limited in their powers. These national commissions have their state counterparts, which are even more limited in powers and functions. In short, we have in the Indian instance the most extraordinary juxtaposition of measures of autonomy and a relentless centralization. Seen from another angle, we have here the most relentless constitutionalism and governmentalization of the principle of autonomy and the most insistent demand of the political subject to gain recognition. It is also a narrative of how and when a group refuses to accept at some historical moment the identity of a *minority* and claims the status of a *people*, a *nation*.

6.2 Territorial separation between conflict parties

Immigration became a problem after the international borders were reorganized in the wake of partitions and large-scale migration has started being perceived by the locals as a threat to the fragile ecological and demographic balance of the region, their language and culture, their land and livelihood resources. Immigration in Assam is believed to have (a) created pressures on land, (b) caused unemployment to the 'Assamese' people as the 'indigenous' people in the region (c) their relative decline vis-à-vis the immigrants and as a result (d) fomented social tensions and often sparked off ethnic and communal riots. The only reliable thing we can point out is that the demographic growth within Muslim communities exceeds the national average, and has been found to be disproportionately

larger in the districts bordering Bangladesh. Dhubri has already become a Muslim-majority district. This could not have been possible without the immigration of Muslims from across the borders. The six-year long Assam independence movement (1979-1985) – one of the longest in the history of post-independence India – pursued the threefold objective of detecting, disenfranchising and deporting the foreigners settled in Assam. The organizations involved in the movement were not in complete agreement on the question of the exact number of foreigners settled in Assam. All the estimates made during the movement ranged between 4.5 to 5 millions. The Asom Gana Parishad (AGP) that emerged from the movement and formed the government in 1985 did little to deport the 'foreigners'. According to official figures, the AGP Government during its term in office (1985-1990) could only deport 157 persons. Immigration continues to haunt the minds of the Assamese. They make claims to preferential policies in jobs. As recently as in early 2005, the Chirang Chapori Yuva Mancha (based mainly in Dibrugarh, upper Assam) launched a campaign asking the Assamese not to employ any 'illegal migrants', not to sell land to them and also not to use vehicles owned or driven by them. The campaign was so vigorous that an estimated 10,000 Bengali-speaking persons were believed to have fled upper Assam as a result of it.

6.3   Development policy: autonomy or dependency?

The Northeast has already seen two phases of insurgency and their "resolution". The first phase started in 1947 and ended, approximately in 1975 with the Shillong Accord. The second phase started roughly in 1979-80 (ULFA was born in 1979 and NSCN in 1980) whence the insurgency began spreading to many places and has now ended or at least drastically declined. The point to investigate will be: what were the governing measures that tackled these two phases of insurgency? And what comes after?

Once we examine these measures and the assumptions behind them, the research agenda becomes clear. It requires analysis of the processes and structures of governance – *the science of governing conflicts*. From that angle let us take note of the governmental measures with regard to peacebuilding in the Northeast. The main features in the first phase of the conflict were territorial reorganisation, granting of statehood, regrouping of

villages, and introducing a model peace accord, resulting in the granting of autonomy – with military operations of course continuing all along. In the second phase, there was a deliberate policy to introduce panchayati raj, and more importantly, territorial autonomy along ethnic lines, created throughout the last two decades within the states of the region. Likewise new forms of local volunteer groups and vigilante armies were raised (principally in Assam and Tripura). Policies to encourage and ensure surrender of the armed underground cadres became crucial in this stage of peacemaking. Surrender schemes were devised in Assam in 1992 and strengthened in 1998. Also as mentioned, in this period regrouping of villages continued in different forms. Like in Mizoram during the earlier phase of insurgency, in Tripura the formal justification was economic: cluster villages were being formed in order to improve indigenous peoples' living conditions. Security, pacification, and commercialisation of forestry went hand in hand. They had the same goal: weaning away indigenous peasantry from the path of insurgency by extending the architecture of security at the macro level and by making the indigenous peasant a rational economic actor. Commercialisation of forestry thus commenced in earnest. Today a new class of dealers, contractors, lease holders, etc. has developed in the entire Northeast with a different kind of stake in the existing social order. In this period there has been greater coordination of governance in different states of the Northeast, in as much as there is greater coordination of military measures. All these have resulted in time in stronger civilian administration, which will not resolve conflicts by addressing issues of justice. Rather it will have a stake in continuing low-key unrest that brings in money, while the insurgent *underground* (we are speaking of a phenomenon only and not any particular movement) has to live alongside civilian life and governance, developing multiple ties with official politics. In this transformed condition, the duality and co-existence of the over-ground and underground is one of the major features of the second stage. There is a separate Northeast office in almost every Ministry in Delhi, and above all is the Ministry of Development of Northeast Region (DONER) to coordinate various welfare schemes, developmental programmes, and all other governmental policies and to guide the decisions of the Northeast Regional Council.

In both phases, however, the impunity of government officials and counter-insurgency forces has remained the main guarantor of the success of the counter-

insurgency. The Armed Forces (Special Powers) Act (AFSPA) became the main form of impunity enjoyed by the government and the security forces. Hence, social governance came to the Northeast on the basis of a successful three-pronged strategy: (a) recruiting surrendered militant groups as armed units in counter-insurgency operations, (b) granting impunity in general to counter-insurgency forces, and (c) encouraging what can be called at best "marketisation of economic relations", and at worst, "crony capitalism" in the region.

There are three more developments adding to the economic thrust: first, the strategy of opening up the Northeast to the greater commercial interests that connect India to the Southeast of Asia, a strategy known as the "Look East" policy; second, the opening up of villages and far-flung areas through new institutions (schools, colleges, banks, offices, communication networks); and third, the policy of encouraging homelands resulting in communal strife, anti-migrant measures, and ethnic policing. If the first phase of insurgency was thus controlled and pacified through direct coercive methods, the second phase has been controlled by ripping the region from within. The difference now lies in the organising norm of the political structure in the region. With the insularity of the Northeast gone, we shall probably wait for the next phase of unrest to begin since governance has failed to ensure justice. Yet, if it is true that what we face here is a situation of aporia that is to say, a cycle of production of nativity–linkages–marketisation-immigration–nationalism–ethnicity–violence–law–linkages-marketisation-immigration-nativity–nationalism… it is also true that it is contention that prises open the situation again and again. Precisely the collective politics that in its moment of frenzy makes immigration the most contentious issue in the life of a nation, also exhibits factors that sustain the dialogic quest for justice.

Finally to make sense of the current situation, we have to treat the following two sets of contemporary developments – one dealing with the political economy of resources and the other reflecting a security-oriented thinking - and how these sets of developments interact. The battle of resources has pitted communities against the state, the army against the people, one community against another, and in general has reconstructed relations. The scramble for resources has led to a revision of the government's strategy of peacebuilding, which was earlier conceived only in terms of conventional pacification

measures. Projects and funds have become the key words in the game. Water has become the single most lucrative resource in the desperate governmental thinking on how to get out of the enclave called the Northeast. Policy thinking has now concentrated on utilising water in a cooperative framework, developing the knowledge base of the water resources of the region, gaining a geomorphology perspective of the river Brahmaputra, the issue of "living intelligently with floods", inland water transport development in the Northeast, institutional framework of river basin management in the North East, river basin organization for River Brahmaputra-Barak basin, and finally management structures to lead the Brahmaputra river basin into the twenty first century. The idea of enclave has also led to an unusual amount of policy deliberations on transport, linkages, and communication. We have already spoken of the Look East plan, which includes the project of the Asian Highway.

The enclave economy coupled with local power in an autonomous area has also produced distinct politics of security, a game that makes the immigrants quickly the symbol of insecurity. Therefore it should not astonish us that a discourse of security co-exists today with a discourse of retarded development, economy, and internal colonialism. Indeed, political economy (that is the political discourse of economy or politics of economy) and politics of security have always gone hand-in-hand. This situation produces cynicism, and a strange combination of what we can call the co-existence of an evolving architecture of macro-security with molecular insecurity or micro-insecurity continuously hovering below this so-called structure of macro-security.

In this complex scenario, where the Indian story moves in a direction different from the one said to be taken by several African countries, the critical factor has been the expansion of government in the last two decades. This marks again a different story of globalisation and neo-liberalism in India. While part of this expansion is due to inevitable political reasons, such an expansion of the electoral system, establishment of institutions, increase in bureaucracy, etc., the instrument of budget has played a big role as well. Thus, gross transfers from the Centre to the Northeastern states have accounted for roughly 60 (Assam) to 85 per cent (Mizoram and Arunachal Pradesh) of aggregate disbursements there. Central assistance has covered fiscal deficits in a region where state revenue is less

than 10 per cent of the net state domestic product. Through central assistance, the construction of roads, airports, power projects, etc. money has been pumped into the region. The idea of development has taken the place of insurgency, though this development will create and is already creating the ground for the next round of conflicts. A new rent economy and new extraction model will pacify some, enrich some, corrupt some, and dispossess some. In such circumstances, we may await the third phase of conflict, while the new style of governance may credit itself for having solved the insurgency question in the once frontier lands. The arrival of social governance indicates such mutation both in the form of governmentality and resistance. Social governance arrives not only on the basis of the market-money-finance network, but also by promoting what is termed as "participatory governance".

Conclusion

Issues of autonomy, sovereignty and self-determination are at the heart of most conflicts that our project focuses on. Conflicting demands for ethnic self-determination and autonomy as well as the fears that they instilled in opposing groups sparked the war in Bosnia and Herzegovina (BiH), the Russia-Georgia war of 2008, the Indo-Pakistani war over Jammu and Kashmir, the Cyprus conflict as well as many inter-ethnic conflicts in India's Northeast. This report has looked into the many ways, in which policies of sovereignty, autonomy and self-determination have been used as conflict resolution strategies. It attempted to assess how effective those strategies have been and which measures the EU and India have taken to compensate for their shortcomings.

In the conflicts above, acute hostilities were minimised or even ended through the territorial separation of the conflict parties. Since strong borders, territorial integrity and political autonomy reflect the central notions of the Westphalian system that Europe is built on, EU policy strongly endorses Cyprus' and BiH's unity and promotes a federation between Georgia, Abkhazia and South Ossetia. In order to maintain territorial integrity and prevent the permanent secession of breakaway regions, the EU is cautious not to recognise the *de facto* autonomous entities of Abkhazia, South Ossetia and the Turkish Republic of Northern Cyprus (TRNC). By refusing to establish direct diplomatic relations and to involve them in political efforts to resolve the conflict, the EU has - unintentionally - driven them into reinforced dependency on other external actors (here: Russia and Turkey). Those external actors, along with local political elites are now exploiting the conflict dynamics for their own (geopolitical) interests.

In addition, territorial separation and ethnic segregation of conflict parties have over time added new layers to the existing conflicts. Partition was often followed by migration waves, which reinforced the ethnic concentration on both sides of the newly drawn lines. In India's Northeast, for instance, partition-induced migration has pitted the 'indigenous' against the migrant population in a fierce competition over land and employment. Such situations of inter-ethnic rivalry tend to cause new fears of domination and thus new tensions as soon as a previous demographic majority turns into a minority.

Power sharing along ethnic lines is often the policy tool of choice to ward off fears of marginalisation. However, ethnic power sharing arrangements and redistribution policies have furthermore reinforced ethnic identities and hardened the divisions over territorial disputes, the issue of internally displaced people, property rights or socio-economic inequality as the cases of BiH, Cyprus, Jammu and Kashmir illustrate. Another risk of power sharing along ethnic lines lies in the abuse of the veto power granted to all ethnic groups, allowing further ethnic polarisation and providing a platform for the emergence of ethno-nationalism. The constant state of paralysis of BiH's political system is a stark reminder of this danger.

The territorial separation of ethnic groups in Cyprus, Georgia and BiH and thus the lack of interaction between the conflict parties is currently rendering any grassroots rapprochement needed for local reconciliation impossible. In those conflicts the EU has employed development policies to recreate lost links between ethnic groups in various ways: (1) to diffuse fears of domination and support inter-ethnic confidence building, (2) to create economic interdependence and (3) to promote the economic and political conditions for a shared future.

(1) As a side-effect of the territorial separation of conflict parties irrational fears and stereotypes may emerge, which have the potential to undermine reconciliation efforts. The demographically or politically weaker side of the conflict may harbour fears of being dominated and loosing its identity, leading to opposing political projects: self-protection through partition versus integration and assimilation. In order to mitigate such fears on the Abkhaz side, the EU sponsors confidence building measures aimed at demonstrating tolerance towards ethnic difference and cultural heritage. In BiH, there is an attempt to overcome ethnic separation and thus build inter-ethnic confidence in the civil service, but with a limited impact on individuals' attitudes.

(2) Reviving the railway link between Georgia and Abkhazia and unofficially allowing cross-border activities is supposed to kill three birds with one stone: to promote inter-ethnic interaction, to reduce Abkhazia's dependence on Russia and replace it by

vested interests between Georgia and Abkhazia. Those policies are currently only in the fledgling stages though and thus effects on conflict resolution cannot be identified at this point. In Cyprus, the EU seeks to prevent permanent secessions through the economic integration of the two parts of the island. Any significant potential for cross-border trade across the Green Line has largely been blocked by the resistance of consumers and producers in the Greek south towards the use of economic integration as a conflict resolution strategy though. These examples illustrate that economic measures cannot be used for political purposes without triggering strong political responses.

(3) In Cyprus, the EU tries to promote a vision of a common political future for both entities by preparing the TRNC for unification in a bi-communal, bi-zonal federation. For Georgia, South Ossetia and Abkhazia, the EU's conflict resolution approach envisages territorial integrity within a federal structure, too. Here, the EU supports political and economic reforms in Georgia in order to make a federal model more attractive for the separatist entities. Both, the expectations for a catching-up of Cyprus' North with the wealthier South, as well as the hope for a democratic and economically attractive Georgia have so far been disappointed. Hence, any attempts of promoting closer cross-border cooperation between the entities have met with local political resistance in the Republic of Cyprus as well as in Abkhazia and South Ossetia.

India's conflict resolution strategy of granting marginalised regions autonomy through the Autonomous Hills Council in Leh, or the territorial reorganisation and introduction of limited autonomy in the states of the Northeast shifted the conflicts from a struggle over sovereignty to a contest over governance. Especially in the Northeast, autonomous arrangements along ethnic lines have 'vivisected' the people and thus prevented the coordination of a joint struggle between the subjugated peoples across the region. The decentralisation of power through the *panchayati raj* institutions (PRI), on the other hand, has drawn disenfranchised sections of the population back into the political process. In Bihar, for instance, this decentralisation of power has been able to mitigate the conflict dynamics due to the nexus formed between the PRIs and the Naxals.

Hence, a non-territorial strategy of grassroots autonomy (in contrast to geographically based models of ethnic autonomy) has helped to empower previously marginalised sections of the population across Bihar, the Northeast and even Jammu and Kashmir. The implementation of this model of grassroots democracy leaves ample room for improvement. But under the conditions of mixed local communities, it holds the promise of mitigating injustices and inequality across ethnicities, classes and genders.