

**Political Economy of “Frozen Conflicts” in ex-Soviet States:**

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**Challenges and Prospects for the U.S. and Russia**

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One of the top issues on the UN agenda in 2007 is the status of Kosovo, Serbia's province, administered by the United Nations with some 17,000 NATO troops preserving the peace between the Albanian majority (90 percent of population) and the Serbian minority. Kosovo was the subject of ethnic cleansing in 1998-99 by the then Serbian dominated Yugoslav Army of Slobodan Milosevic that killed at least 10,000 Albanians. The subsequent NATO intervention in June 1999 put an end to this genocide. The 61-page report presented on March 26 to the UN Secretary General by Martti Ahtisaari, its special envoy and former President of Finland, urges independence for this 2 million people province. The question of Kosovo's independence is truly that of Hamlet from Shakespeare's drama: "to be or not to be..."

The issue is not just about the status of Kosovo. The problem is a new round of confrontation between the West, first of all the United States, and Russia, which has reemerged during the last seven years as one of the key players on The Grand Chessboard, as its President, Vladimir Putin acknowledged in his angry Munich speech (February 10, 2007). Russia is opposing the settlement of Kosovo's independence, threatening a veto in the UN Security Council. According to Russian officials, recognizing Kosovo's independence would set a precedent of granting sovereignty to a region within a republic that will encourage separatist movements not only in the former Soviet states but in Europe itself. As President V.Putin mentioned recently "There is nothing to suggest that the case of Kosovo is any different to that of South Ossetia, Abkhazia or Trans-Dniester... [which] have been living essentially as independent states for 15 years now and have elected parliaments and presidents and adopted constitutions"<sup>1</sup>.

In this context Russia is widely speculating thesis of its "responsibility" for behavior of Russian citizens living in Georgia's rebel provinces of Abkhazia and South Ossetia, as well as in Moldova's Transnistria. Since these region became "independent" from the legal authorities Russia offered citizenship en mass for their population thus creating a problem of "protection" of its citizens in so-called "Near Abroad".

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<sup>1</sup> Interview with Newspaper Journalists from G8 Member Countries. *Kremlin.ru*, June 4, 2007

The end of 2006 and the beginning of 2007 were marked by harsh disputes between the West and Russia, by the return to our vocabulary of an almost-forgotten expression - “cold war”. Mikhail Gorbachev, former President of the Soviet Union and my former boss for whom I worked during the tumultuous times of “perestroika” (from January 1987 till August 1991<sup>2</sup>), recently emphasized: “There is a real danger of a new division of the world; the possibility of a new cold war is being widely discussed...The unprecedented scale of international terrorism and the proliferation of ethnic and religious conflicts are disturbing signs of troubles to come”<sup>3</sup>.

Regional conflicts and disputes on their possible solution – be it Kosovo in the Balkans or secessionist regions of ex-Soviet countries, such as Abkhazia and South Ossetia in Georgia, Nagorno-Karabakh in Azerbaijan, or Transnistria in my native Moldova - represent some kind of mini “cold wars” between the West, led by the United States, and Russia. That’s why it is so important to understand the political economy of the “frozen” conflicts, and to prevent their evolution into another cold war.

I would like to elaborate on a few key issues related to the conflicts’ roots, and their challenges for the U.S. and Russia, as well as for international peace and stability. In this respect I found necessary to address the following questions: is the confrontation between the US and Russia in these turbulent zones predetermined? What is the opportunity cost of clashes of their interests in these areas? Are there any possibilities to build bridges in search of a solution instead of engaging into a new round of confrontation?

The collapse of the Soviet Union was accompanied by at least eight political, ethnic and military conflicts, the most important of which occurred in the Black Sea – South Caucasus – Caspian region. The Newly Independent States (NIS) involved in these conflicts – Armenia and Azerbaijan, Georgia and Moldova – were known as “emerging democracies” and “weak states” with a combined population of 20 million and a combined gross domestic product at independence of some \$12 billion no more than twelfth the annual turnover of British

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<sup>2</sup> “Mikhail Gorbachev: The Decay of Socialism and the Renaissance of Eastern Europe (from the Perspective of an Insider)” by Ceslav Ciobanu, *East European Politics and Societies*, Vol. 18, No. 1, 2004, pages 45-69.

<sup>3</sup> *The Guardian*, January 18, 2007; see also “A second Cold War is Starting” by Guilietto Chiesa, *Rossiya*, No 6, February 15, 2007

Petroleum. The territory, population (around one million) and economic potential of the secessionist “statelets” were even less important.

What makes these conflict areas really visible is the fact that they are situated at the crossroads between Russia, the Middle East and Central Asia. The War on Terrorism in Iraq and Afghanistan increases their importance to the United States, Turkey, Iran and the international community at large. During the “hot” phases of these conflicts in the early 90s of the last century, more than 30 thousand people were killed and nearly 1.5 million were displaced. These conflicts emerged as a “war on Soviet succession”, characterized by desperate struggle of opponents of dissolution of the Soviet Union to maintain and reestablish the cracking empire and monopoly power of Moscow over Russia’s “little sisters” - the former Soviet republics.

It is not accidental that in September 1990 Igor Smirnov, a Russian citizen, and his communist party fellows proclaimed the foundation of the “Dniester Soviet Socialist Republic in the composition of the USSR”. This Moldovan territory is known as Transnistria - a ragged ribbon of land 125 miles long and 20 miles wide on the border with Ukraine with a population of some 600,000 (17 percent of Moldova’s population and 12 percent of its territory). It was established by anti-democratic and pro-Moscow communist forces – the so called “red directors”: managers of large state owned enterprises - as an antithesis and counterbalance to the rising movement for Moldova’s independence.

Eighteen months later, in June 1992 the political ambitions of nostalgic forces and the personal interests of the corrupted elite led to a three-day bloody war between separatist military forces comprising former Russian officers (fighting as mercenaries), Cossack paramilitary formations, and criminal elements from all corners of the former Soviet Union on one side and police forces of Moldova on the other. Direct intervention of the former 14<sup>th</sup> Soviet Army located in Transnistria since Soviet time but now under Russian command, on behalf of the separatist side brought an end to this war that cost 1,500 lives and displaced thousands of people. At the same time, however, thus began a “frozen” regional conflict and the “temporary” presence of Russian troops and ammunition, constituting a de-facto occupation of territory of the sovereign Moldovan Republic. This occupation has already lasted 17 years against the consent of

Moldovan government and its constitution. Note that this was not, and it is not, an ethnic or religious conflict. Both sides of the Nistru River are populated by the same ethnic groups: a Moldovan majority (80 percent on the west bank and 40% in Transnistria), plus Ukrainian and Russian minorities, all sharing the same Christian Orthodox religion. In December 2006 Igor Smirnov was “elected” for the fourth time in a row as “president” of *Pridnestrovskaya Moldavskaya Respublika* (“Dniester Moldovan Republic”) by an overwhelming majority of votes (84 percent) as in old Soviet times.

I would mention a few most important fields that directly or indirectly set in opposition the West (European Union and USA) and Russia in these “frozen” conflicts in ex-Soviet countries and that are generating Cold War blows, threatening regional stability and international peace.

*First*, the most alarming threat, not just for these countries but for the international community, is *proliferation of small arms and light weapons, and even of nuclear materials smuggled from/through these regions*, which are not controlled by the legal authorities or by international organizations.

The *New York Times* and *Associated Press* published early this year a story on a Russian citizen named Oleg Khintsagov who smuggled through the Georgian breakaway province of South Ossetia three and a half ounces of enriched uranium, a sample of two kilos of radioactive material he claimed to have access to in the Russian city of Vladikavkaz. He tried to sell it in Tbilisi, where he was caught by a Georgian agent working on an operation with the CIA<sup>4</sup>. This smuggling incident cast doubt about Russia’s ability to control its nuclear stockpiles.

Some time ago, the *Washington Post* reported: “at least 38 *Alazan* warheads were modified [in Transnistria] to carry radioactive material, effectively creating the world’s first surface-to-surface dirty bomb”<sup>5</sup>. Although “no one has produced proof of this”, as former U.S. Ambassador to Moldova Pamela H. Smith, currently an Associate at the Institute for the Study

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<sup>4</sup> “Smuggler’s Plot Highlights Fear Over Uranium”, by Lawrence Scott Sheets and William J. Broad, *New York Times*, 25 Jan. 07

<sup>5</sup> “Dirty bomb Warheads Disappear. Stocks of Soviet-Era Arms For Sale on Black Market”, by Jobby Warrick, *The Washington Post*, 7 Dec. 03

of Diplomacy at Georgetown University, observed, but “the possibility is high that conventional Transnistrian weapons have fallen into terrorist hands, so the United States is working actively to foreclose such channels”<sup>6</sup>.

Transnistria was identified by Daniel Twining, director of the U.S. German Marshall Fund, as “a leading exporter of kidnapped women to Europe, a lucrative transit territory for illicit drugs, and a key link in the arm-smuggling network that peddles the Soviet Union’s former military hardware on the international market. If Al Qaeda has not gone shopping there yet, it is only a matter of time”<sup>7</sup>. On March 27 2007 *Il Venerdì*, an Italian newspaper, stressed that the former 14<sup>th</sup> Soviet Army deposits in Colbasna (Transnistria) have become a source of weapons for international criminal groups, including “Red Brigades”, “Grey Wolves” and “Hezbollah”<sup>8</sup>.

According to some experts, particularly Ambassador William Hill, former Head of the OSCE Mission in Moldova, these concerns sometimes are overstated by mass-media and there is not so much recent evidence, especially since the EU Border Assistance Mission (EUBAM) was established in December 2005 to monitor the border between Moldova and Ukraine, including the segment controlled by Transnistrian separatists. At the same time there is a well documented fact that the Transnistrian enterprises – part of the ex-Soviet military-industrial complex - produced not only simple armaments, but also Mobile Launcher Rocket System BM-21 type “*Grad*” and systems type “*Duga*”; 82 mm and 120 mm mortars; antitank grenade launchers with gun-carriage *RPG -9*, submachine guns, antipersonnel and antitank mines; etc. In spite of the fact that small arms made in Transnistria were found in Chechnya separatists’ hands, Russia, ironically, continues to be the main support for Transnistria and other secessionists in the ex-Soviet states, mainly through the weaponry, ammunition and troops that remained from Soviet times. A few years ago I did a special research on this issue, providing detailed information on the main Transnistrian producers of this weaponry<sup>9</sup>.

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<sup>6</sup> “Moldova Matters: Why Progress is Still possible on Ukraine’s southwestern Flank” by Pamela Hyde Smith. *The Atlantic Council of the United States*. Occasional Paper, March 2005, p. 12

<sup>7</sup> “Beware Russia’s pocket empire”, by Daniel Twining, *Christian Science Monitor*, 1 July 04

<sup>8</sup> *Infotag*, 27 March 2007

<sup>9</sup> Moldova: The Dniester Moldovan Republic, by Ceslav Ciobanu, *William R. Nelson Institute for Public Affairs*, June 2003

*Second, political-military arguments*, based on Russian geopolitical interests in the Black Sea-Caspian-South Caucasus region to counteract NATO/EU enlargement further to the East. Russia has explicitly acknowledged its opposition to the NATO/EU enlargement and warned against expansion of the EU into Russia's "Near Abroad", simultaneously intensifying the efforts "to find solutions" for conflicts frozen by Russia itself.

Russia was infuriated by the U.S. plans to build a missile shield in Eastern Europe (to base 10 missile interceptors in Poland and radar in the Czech Republic to counteract the threats from Iran and North Korea), as well as by deployment of U.S. forces in Bulgaria and Romania. The Treaty on Conventional Armed Forces in Europe (CFE) was signed by 30 participatory states in November 1990 in Paris and updated in 1999, establishing limits on the number of tanks (40,000), artillery systems (40,000), armored personnel carriers (60,000), combat aircraft (13,600) and attack helicopters (4,000) authorized to be deployed on the European continent under transparent verification procedures. The adapted CFE Treaty is considered to be a cornerstone of security in Europe<sup>10</sup>. Its significance is even bigger: it marked the end of the Cold War, and as a result the mass withdrawal of Soviet (subsequently – Russian) troops and weapons from the Central Europe was accomplished by 1994.

Nevertheless the Treaty was not ratified by its Western participants due to Russia's unfulfilled commitments to withdraw its troops and munitions from the rebel regions of Georgia and Moldova. In case of Georgia the withdrawal is almost done with exception of the continuing presence of Russian forces at the Gudauta base. In Moldova situation the process was effectively stalled under the false Russian arguments that there are "many obstacles, opposing forces and unsolved technical problems", and after all Tiraspol's authorities of Transnistria "forbid us to do it". Vsevolod Grigore, former Moldovan Ambassador to the UN in his speech at the Virginia State University International Conference (April 2007) stressed: "It was always a very convenient idea for the Russian leaders and diplomats to blame intractable culprits such as separatist authorities or all kind of unidentified "forces" for perpetuating Moldova's

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<sup>10</sup> "Three to one in Favor of NATO: What is behind the President's Words on possible Russian Withdrawal From a Treaty with NATO?" by Igor Yelkov, *Rossiyskaya Gazeta*, May 6, 2007.

humiliation and to maintain the status quo because it helps to exonerate and conceal the Kremlin's lack of political will to solve the conflict".

Russia called an "Extraordinary Conference of the State-Parties to the Treaty on conventional Forces in Europe" (Vienna, June 11-15, 2007) to urge its ratification under the threats of its withdrawal from the Treaty, announced by Russian President Vladimir Putin at a joint session of the Russian Duma (parliament) on April 26<sup>11</sup>. De facto Russia tried to rewrite the Treaty, and de-couple its ratification from the Russian commitment (Istanbul, 1999) to withdraw its troops from Georgia and Moldova. V.Socor, a well known analyst of this region, mentioned that "the Conference ended without agreement to any of Russia's demands, each of which challenged in one way or other the post-Soviet status-quo in Europe"<sup>12</sup>.

It is noteworthy that for the first time Moldova became the centerpiece of international politics related to CFE Treaty ratification. Continuing Russian troops presence in Transnistria against the consent of Moldova and against Russia's Istanbul 1999 Commitments remain the biggest obstacle for the ratification of the 1999-adapted CFE Treaty. Some experts are inclined to consider that Moscow and Washington "hold irreconcilable views on this issue"<sup>13</sup>

To maintain the military presence in its "spheres of interest", the Kremlin openly discusses recognition of the independence of Transnistria, South Ossetia and Abkhazia followed by their eventual subsequent annexation, after approval by "referenda" in these regions. In this context one should note the Russian reaction to the decision of the EU Council of Ministers to extend for another year the ban on entering and transiting the EU member states against 17 Transnistrian officials, including "president" I.Smirnov and his family members, "foreign minister" V.Litkai and "minister of security" V.Antiufeev/Shevtsov wanted by Interpol for his crimes in Latvia. A few days after the EU Council decision, S.Lavrov, Russian foreign minister, in his speech to the Duma for the first time termed Abkhazia, South Ossetia, and

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<sup>11</sup> [www.kremlin.ru](http://www.kremlin.ru), April 26, 2007

<sup>12</sup> "NATO holds firmly at extraordinary CFE Conference with Russia", by Vladimir Socor, *Eurasia Daily Monitor*, Jamestown Foundation (USA), June 18, 2007.

<sup>13</sup> "The Americans recollect the CFE Treaty" by Denis Zhuikov, *RBC Daily*, May 29, 2007; See also "Russian troops in Moldova – main remaining obstacle to CFE Treaty ratification" by Vladimir Socor, *Eurasia Daily Monitor*, Jamestown Foundation (USA), May 25, 2007.



Transnistria “republics” and their leaders “presidents”, a fact that provoked understandably harsh reactions in the capitals of Moldova and Georgia<sup>14</sup>.

Russia is one step away from official recognition of these secessionist regions – de facto the Russian enclaves in Eastern Europe and South Caucasus. At the same time the unsolved (“frozen”) status of these conflicts is used by Russia as an “excuse” to maintain its military presence in form of “peacekeeping forces” in these areas as long as possible. As Pavel Felgenhauer, an expert on Russia mentioned “Any resolution of the so-called “frozen” ethnic/separatist conflicts within the CIS [Commonwealth of Independent States] that could lead to the withdrawal of Russian troops is viewed as unacceptable”<sup>15</sup>. Officially, according to Russian former Minister of Defense S.Ivanov who was advanced to the position of the First Deputy Prime Minister, the Russian military contingent (1,500 servicemen) in Transnistria is fulfilling two functions: peacekeeping and protection of stockpiled ammunition and weaponry (19,000 tones – 35 trains)<sup>16</sup>. Transnistria’s leader and his Moscow patrons treat this territory as Russia’s political and military outpost and buffer to NATO in South Eastern Europe, as Abkhazia and South Ossetia are in the South Caucasus<sup>17</sup>. This is definitely compromising the role of Russia as an “impartial mediator” and “peacekeeper” in these conflicts. Russia is rather a part of the problem than a part of the solution.

*The third*, component of the “frozen” conflicts can be described as *the political economy of crime, corruption, trafficking and violence*, the major threat to the independence, sovereignty and territorial integrity of the countries involved that undermines their economic and democratic prospects, peace and stability. This situation can be attributed, in the words of Dr. Charles King, a professor at Georgetown University, “to the idiosyncrasies of the cases themselves: leadership, public commitment, external support, political culture”<sup>18</sup>.

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<sup>14</sup> *BASA-press*, 20 February 2007; *Moldpress*, 22 February 2007

<sup>15</sup> “Delusions in US-Russian Relations” by Pavel Felgenhauer, *Perspective*, vol XVII, No1 (Oct-Nov.2006).

<sup>16</sup> *Infotag*, 12 January 2007

<sup>17</sup> “Post-Soviet secessionist leaders worried by Russia’s Kosovo policy”, by Vladimir Socor, *Jamestown Foundation Eurasia Daily Monitor*, March 23, 2007

<sup>18</sup> Charles King. Post-Postcommunism. Transition, Comparison, and the End of Eastern Europe” in the *World Politics* 53 (October 2000), p.155.

The viability of the Transnistrian regime, for example, is based not so much on the “official” economy, that avoided collapse because of massive external subsidies, primarily through free or low cost natural gas delivered from Russia<sup>19</sup>, as on the “unofficial” shadow economy, the size of which is at least 50 percent of the officially calculated GDP. The durability of Smirnov’s regime lies in his and his son’s “common family business” with alcohol, cigarettes, groceries and most importantly – until recently - illegal trafficking of small arms, light weapons and related ammunition; drugs; and human beings. Transnistria, according to Ambassador Rudolf Perina, former U.S. Ambassador to Moldova, has become the biggest “duty-free zone” and black market in Europe.

General Banfi, the Head of the EU Border Assistance Mission, has noted that “smuggling across the border is being carried out by organized criminal groups using a sophisticated modus operandi.” As a result of a May 2007 cross-border operation of Moldovan and Ukrainian custom’s officers with the support of EUBAM, forty-six contraband cases was discovered, 21.5 kg of psychotropic substances were found, and 616 illegally kept weapons were seized. Among the most serious contraband cases were the smuggling of 40 tons of meat, 26,000 bottles of alcoholic drinks and 11 kg of marijuana. EUBAM conducted three such joint operations in 2006-2007<sup>20</sup>. There is considerable evidence that illegal money from these illegal activities link Tiraspol with Chisinau, Moscow, Kiev and other places and serve as important financial source of corrupted Transnistrian regime and its protégée in some high offices of these capitals. As President of Moldova Vladimir Voronin stressed in a recent interview, the human beings traffic, contraband and smuggling of weapons, alcohol, oil, drugs, pharmaceuticals, tobacco, and other goods, on the Tiraspol - Odessa line, are bringing approximately \$2 billion a year to Smirnov’s regime, whose official budget has amounted to a total of \$145 million<sup>21</sup>.

*Fourth, energy factor:* the Black Sea–South Caucasus–Caspian region represents a potential market of 400 million people from Europe, Central Asia, and the Middle East. It has the

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<sup>19</sup>Russian Gazprom is charging Transnistrian customers \$60 for thousand cubic meters, three time less than the price Moldovan customers are charged; Transnistrian debt for Russian gas is \$1.3 billion, twice as big as Moldova’s debt *Infotag*, 26 March 2007; *Nezavisimaya Moldova*, 30 January, 2007

<sup>20</sup> *Reporter.md*, May 18, 2007; *Infotag*, 6 June, 2006

<sup>21</sup>“V.Voronin.: the leaders of Transnistrian separatist zone have to many partisans in Russia, especially in official circles”, *RIA Novosti*, may 22, 2007 (in Russian).

second largest oil and natural gas reserve in the world and has a foreign trade potential of more than \$300 billion; Russia and its Caspian Sea neighbors are among the world's leading natural gas producers.<sup>22</sup> The wider Black Sea region has the world's largest reserves of minerals and metals, a skilled labor force and a sophisticated transportation infrastructure with numerous ports along the coasts of seas. This swath of territory is a historical bridge between European and Asian civilizations, with a long history of transcontinental commerce dating back to the Silk Road; it also has a tremendous potential for tourism.

The economic and strategic interests of international community are strongly motivated by the Caspian energy resources. Their successful exploration can make a critical difference to the enlarging Euro-Atlantic world, in terms of both pricing and diversification of energy supplies. The Azeri oil extraction project and the oil and natural gas transport pipelines—the Baku–Tbilisi–Ceyhan (BTC) oil pipeline, and the Baku–Tbilisi–Erzurum (BTE) natural gas and gas condensate pipeline, stretching from Azerbaijan through Georgia to terminals in Turkey—can contribute to Azerbaijan's annual revenues by \$700 million, with prospects for at least \$25 billion in contracts in the near future. Azerbaijan is projected to more than double its oil production over the next three years: from 237 million barrels to 476 million barrels<sup>23</sup>. The pipelines will also have a crucial positive impact on the Georgian economy: Direct foreign investment attracted by the BTC oil pipeline and the BTE natural gas pipeline can significantly increase Georgia's GDP growth. The BTC and the BTE pipelines are of major economic and political importance.

The implementation of the Caspian transit project with a pipeline crossing Ukraine or Romania and with an eventual connection to Moldova can make a critical difference for Ukraine and Moldova, diversifying their sources of energy deliveries and by reducing their dependence on Russia. For example, Moldova owed more than \$1.3 billion for natural gas deliveries to Russia's largest energy firm, Gazprom, of which a greater part (80 percent) is owed by the separatist Transnistrian region<sup>24</sup>.

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<sup>22</sup> Walsh, Conal. "West looks to Russia for a crisis solution". *The Observer* (UK), June 6, 2004.

<sup>23</sup> "Russia moves to repair ties with Azerbaijan" by Sergei Blagov, *Eurasinet.org*, April 2, 2007

<sup>24</sup> *BASA-press*, Chisinau, July 19, 2004.

At the latest summit of the GUAM Organization for Democracy and Economic Development (Georgia, Ukraine, Azerbaijan and Moldova) that took place in Azerbaijan's capital Baku (18-19 June, 2007) – the most representative forum in ten years of existence of this organization with the participation of the presidents of Romania, Poland and Lithuania – the agenda was dominated by issues of Caspian oil and natural gas transit to the EU as an alternative (to Russian) energy supply market for European countries, and those of solution of the frozen conflicts in these countries. Upon the completion of the Baku summit the European Union announced that for 2007-2010 it will provide 915 million Euro to support the development of the energy sectors, infrastructure, and transport systems of the GUAM countries<sup>25</sup>.

However, the strategic interests of the United States, Russia and other countries, particularly in Western Europe differ and, at times, contradict each others and those of the Black Sea–South Caucasus–Caspian countries. Russia's interests stand in opposition to those of the BTC and BTE countries. Moreover, Russia is using the overwhelming dependence of former Soviet Union countries on Russian supply of energy resources as an effective weapon to preserve these countries in its spheres of influence. Russia maintains the artificial division and instability of countries affected by conflicts openly subsidizing secessionist regimes with natural gas and other resources at prices one third to one quarter of those charged for Georgia, Moldova, Ukraine and other countries. At the same time Russia promoted a discriminatory economic policy by banning the import of famous Moldovan and Georgian wines, fresh fruits and vegetables, meat and other agricultural products as a “threat to Russia security”. Russia's attempt to re-integrate the former Soviet republics into some kind of a new polished “Union” remind revenge after the collapse of the Soviet Union, and represent the major obstacle on their road toward independence and European integration. Russia is trying to use its co-nationals in secessionist statelets to reinforce its position in these strategically important areas. By pursuing an arrogant and aggressive policy Russia is eroding the confidence of its neighbors, even among the Russian population of these rebel regions.

*Fifth, one of the most important lines of confrontation and major impediments to the resolution of these “frozen conflicts” lies in the dual approach taken by Russian policy and still tolerated*

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<sup>25</sup> Infotag, June 20, 2007

*by the West*: on one hand, Russia is emphasizing the unacceptability of imposing a decision on the status of Kosovo from outside (the United Nations in this case) and of creating a dangerous new precedent for its “Near Abroad”, specifically for Abkhazia, South Ossetia in Georgia and Transnistria in Moldova; on the other hand, Russia is encouraging the so-called movement for independence in these territories, providing real political, military and financial support for the secessionists.

In the *Foreign Policy Review on the Transnistrian Settlement*, published recently, the Russian Foreign Ministry emphasized: "a most-essential element of a lasting settlement is the establishment of the constitutional status of Moldova as a neutral state", though, according to its Constitution, the Republic of Moldova is a neutral state that permits no foreign armed forces to be deployed in its territory. “Attempts to impose solution conditions from the outside”, emphasized the Review, “undermine the fundamentals of international law and are fraught with destabilization of the entire system of international relations, and any escalation of conflicts usually leads to the use of force.”<sup>26</sup> It should be noted that Russia, by maintaining its troops and armament on this de jure Moldovan territory, has continued to violate the Constitution of Moldova as well as Russia’s own 1999 Commitments (Istanbul OSCE Summit) to withdraw its troops from Moldova and Georgia and also, the principles of the above mentioned adapted Treaty on Conventional Forces in Europe.

*Sixth*, the East (Russia) – West (USA and EU) confrontation on how to “defrost” the “frozen conflicts” is complicated by conflicting principles of *international law, such as state sovereignty, territorial integrity, self determination and, human rights*, which, to varying degrees, contradict and compromise one another. In the case of Kosovo, for example, the basics for its claim to independence is a people’s right to self-determination that is fiercely denied by Serbia’s authorities and their Russian supporters as a violation of the territorial integrity of an independent and sovereign state. The secessionist leaders in Abkhazia, South Ossetia, Transnistria and Nagorno-Karabakh are speculating on this confusion of international law emphasizing their right of self-determination and neglecting the principles of territorial

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<sup>26</sup>*Infotag*, 27 March 2007 The text of Review can be accessed at:  
[http://www.mid.ru/Brp\\_4.nsf/arh/3647DA97748A106BC32572AB002AC4DD?OpenDocument](http://www.mid.ru/Brp_4.nsf/arh/3647DA97748A106BC32572AB002AC4DD?OpenDocument)

integrity of legally recognized states, Georgia, Moldova, and Azerbaijan. In an interview for *Tiraspol Times* Igor Smirnov, Transnistria's "president", touching on the question of Kosovo independence, stressed: "Look to international law, and look to the history of this land. Pridnestrovie has much stronger legal and historical basis for recognized sovereignty than Kosovo"<sup>27</sup>. He considers that this precedent "is well applicable to Transnistria, and South Ossetia, and Abkhazia – republics that have much more historic and juridical grounds for independence and recognition than Kosovo"<sup>28</sup>. The Kremlin's reaction to such statements was quite eloquent: The Transnistrian leader received a very special Russian award – the Order of Honor of the 1<sup>st</sup> degree "for contributions to friendship among nations, for the development of democracy, for strengthening Transnistria's position on the international level, and for the consolidation of ties with Russia"<sup>29</sup>.

The "Kosovo case" is not at all a precedent for other conflicts settlement and an attempt to link these conflicts all together means nothing else than to keep them "frozen" indefinitely. The uniqueness of Kosovo lies in the fact that it has been under effective UN trusteeship since 1999 and the UN Resolution 1244 defines the way of negotiating its final status. Daniel Fried, US Assistant Secretary of State, expressed clearly this position: "We believe it is simply wrong to link this. There are many separatist conflicts in the world. It is impractical to try to link them all together, and say that one solution for a unique case must apply everywhere in the world"<sup>30</sup>.

The major problem is how to apply international law in each concrete situation, when unrecognized secessionist occupation regimes have acted for almost two decades as *de facto* regimes with strong financial, military and political support from outside (in ex-Soviet states, from Russia). In case of Transnistria one of the best analysis and recommendations how to solve this conundrum has been put forward by a mission of the Association of the Bar of the City of New York in its 2006 special report<sup>31</sup>.

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<sup>27</sup> "Igor Smirnov: We have a stronger case for statehood than Kosovo", *Tiraspol Times & Weekly Review*", March 6, 2007 ([www.tiraspolimes.com](http://www.tiraspolimes.com))

<sup>28</sup> *Infotag*, May 25, 2007

<sup>29</sup> *Infotag*, May 4, 2007

<sup>30</sup> US Department of State transcript, June 12, 2007

<sup>31</sup> "Thawing a Frozen Conflict: Legal Aspects of the Separatist Crisis in Moldova", Report by Association of the Bar of the City of New York, 2006 ( <http://www.nycbar.org/pdf/report/NYCity%20BarTransnistriaReport.pdf>)

*Seventh*, so-called frozen conflicts have gained momentum - they are in the focus of international forums and organizations. NATO-EU enlargement, the EU's neighborhood policy (ENP) and bilateral Action Plans with prospects for EU visa facilitation and EU trade preferences, and the Millennium Challenge Corporation's programs have opened *new windows of opportunity for defrosting the regional "frozen conflicts"*, by involving civil society and the mass-media in constructive dialog and a search for solutions. Now it is right time for the governments of the involved in these conflicts countries to conform to international requirements and promote appropriate democratic and economic reforms to meet European standards. By building a prosperous democracy, a successful market economy, based on loyal competition and open to foreign investors, these countries could create an attractive alternative for the populations of these conflict zones.

Unfortunately, there have been serious setbacks registered in this respect, particularly in Moldova. The Freedom House Organization annual report "Nations in Transition" points out that Moldova, a relative champion of post-Soviet, democratic reforms in the 1990s, has lost ground since 2001, when the Party of Moldovan Communists (PCM) came to power: stagnation of reforms with further consolidation of authoritarian tendencies, intimidation of opposition, serious irregularities in elections, persecution of independent mass-media, ignoring recommendations of the Council of Europe and the Organization for Security and Cooperation in Europe (OSCE); steps back in promoting human rights, respect for the rule of law and independence of judiciary; etc<sup>32</sup>. All of these negative internal evolutions undermine efforts and diminish prospects for the solution of the so-called frozen conflicts. It should be noted that ruling secessionist regimes mirror the Russian model of governance, with domination by corrupted elites that have merged with illegal business, with authoritarian leaders appointed and supported as in old Soviet times by Moscow.

The most appropriate description of these conflicts is still the word "stagnant". The puzzle and the irony of this situation consist in the fact that the existing status quo of "no peace, no war" is reinforcing the challenges to human rights, democratic institutions and civil society – all key

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<sup>32</sup> The full English version of the report can be accessed at:  
[http://www.freedomhouse.hu/index.php?option=com\\_content&task=view&id=84](http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=84)

elements of the broad definition of security integral to the OSCE's ongoing Helsinki process. The resolution of "frozen conflicts" according to these principles and to Istanbul (1999) Summit agreements would lead to ratification of the adapted CFE Treaty and contribute to confidence building between West and Russia.

Three years ago in my Special Report to the U.S Institute of Peace I mentioned that resolution of "frozen and forgotten" conflicts in post-Soviet states needs the following:

1. Political will from all engaged parties.
2. Revision of existing mechanisms and format of negotiations.
3. Establishment of a new system of guarantees to replace the old one that is outdated and does not work effectively.
4. Internationalization of peacekeeping forces with the participation of Russia's forces and strict observance of its international commitments.
5. Strong support of civil society, non-governmental organizations and mass-media.
6. Inclusion of political and economic mechanisms.
7. Practical application of contemporary international law in each concrete case<sup>33</sup>.

I am glad to mention that from the time I made these conclusions some positive changes have occurred: revision of the format of negotiations with the inclusion of U.S. and EU representatives as observers; establishment by the EU of a Border Assistance Mission (EUBAM) on the border between Moldova and Ukraine; 1.2 billion EU/World Bank program for Moldova, and prospects for significant Millennium Challenge Corporation funding from the United States.

The perspectives for "defrosting" these conflicts and finding an equitable solution in the framework of the internationally recognized legitimate states could be consistently improved through the EU's adoption of a new European Neighborhood Policy (ENP plus), by passage of

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<sup>33</sup> "NATO/EU enlargement: Moldova and the "Frozen and Forgotten" Conflicts in Post-Soviet States" by Ceslav Ciobanu , Special Report to the U.S. Institute of Peace, July 2004 (<http://www.ipp.md/public/biblioteca/74/ro/Report%20July%2025,%20revised.doc>).



the UN resolution on frozen conflicts, proposed by GUAM countries (Georgia, Ukraine, Azerbaijan and Moldova) and establishment of a fundamental legal framework for conflict settlement in accordance with the norms and principles of international law. Encouraging steps already were taken. The US Congress is debating the Resolution calling on the Russian Federation to withdraw its military forces, armaments and ammunition stockpiled in Transnistria; the recent US proposal for an alternative peacekeeping force to be deployed in Transnistria – “genuinely multilateral with Russian participation”<sup>34</sup>; the Open Letter of 10 Moldovan non-governmental organizations “For a European Settlement of the Transnistrian Conflict”<sup>35</sup>.

This is just the beginning of a still thorny path toward conflict resolution, but it is inspiring a “cautious optimism” on prospects for progress<sup>36</sup>, as David J.Kramer, U.S. Deputy Assistant Secretary of State for European and Eurasian Affairs, stressed recently.

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The confrontation between West and Russia on the settlement of conflicts in Abkhazia, South Ossetia, Nagorno-Karabakh and Transnistria is not at all predetermined. Many observers believe it is too much to expect that the Russians would actively cooperate in forcing out the Tiraspol kleptocrats, the great majority of whom are Russian citizens. Yet, Moscow might be willing to reconsider its position. A credible, short-term timetable for withdrawal of Russian troops and ammunitions would clearly signal the end of Russian support for Tiraspol and make the kleptocrats amenable to a departure deal. It is possible that some kind of safe haven outside Moldova (presumably in Russia) might, for them, constitute an attractive offer. Some appropriate formula could be identified, of course, if Russia will only realize that it gains much more from cooperating with the U.S. and EU on this issue than by continuing to play the separatist card by maintaining its military presence and support of corrupted leaders of these rebel regions. The opportunity cost for Russia and for the West is a new round of confrontation, a costly engagement in a new Cold War that for sure Russian economy will not be capable to support.

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<sup>34</sup> *Reuters*, June 5, 2007

<sup>35</sup> *Infotag*, June 7, 2007

<sup>36</sup> US official expresses concern over democracy in Russia, *AP*, March 21, 2007

At the same time attempts to make any peace agreements in conflicts area and to avoid Russian involvement and mediation, as some Moldovan politicians and experts suggest, are absolutely unrealistic. In my USIP Special Report I mentioned that “Russia is not, and never was, just impartial, neutral observer. Russia is an internal, although an impertinent factor of these conflicts. Only the policy of inclusion of Russia with all respective responsibilities can lead to the solution, keeping Russia restrained by international agreements”<sup>37</sup>.

It should be noted also that a quick and unsustainable resolution, undertaken under political and economic pressure of Russia, beyond the existing format of negotiation, in case of Transnistria - “5 + 2” (OSCE, Russia, Ukraine, USA and EU plus Moldova and Transnistria) - “would be worse than postponing the resolution”, as Kalman Mizsei, the EU special envoy to Moldova observed recently<sup>38</sup>. The matter of concern become intensified in 2007 bilateral non-transparent Moldovan - Russian negotiations on Transnistria’s settlement, including the latest meeting of Presidents V.Putin and V.Voronin in Moscow (June 22)<sup>39</sup>. The opportunity cost of such a false resolution would be an illusory stability that permits the consolidation of the secessionist regime and encourages its transformation into effectively independent state-like structure, undermining the sovereignty and territorial integrity of the legitimate state and creating a bad precedent.

The informal meeting of the U.S. President George W. Bush and Russian President Vladimir Putin in Kennebunkport (USA) on July 1 is a good test for their abilities to build bridges in search of solutions to CFE and “frozen conflicts”, instead of engaging their countries and the World as a whole in a new round of confrontation.

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<sup>37</sup> “NATO/EU enlargement: Moldova and the “Frozen and Forgotten” Conflicts in Post-Soviet States” by Ceslav Ciobanu , Special Report to the U.S. Institute of Peace, July 2004, p.19  
(<http://www.ipp.md/public/biblioteca/74/ro/Report%20July%2025,%20revised.doc>).

<sup>38</sup> <http://euobserver.com/9/24217>

<sup>39</sup> “Voronin-Putin negotiations: end game ahead of Putin-Bush summit”, by Vladimir Socor, *Jamestown Foundation Eurasia Daily Monitor*, June 26, 2007

