

**Conflict in Tskhinvali Region:  
Interaction of Georgian-South Ossetian Nationalisms**

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## **Abstract**

The thesis looks at the causes and controversies of the post-Soviet conflict developments using the example of the severe confrontation in the Tskinali Region, Georgia, through the prism of interaction of internal (in the center and periphery) and external elites, with divergent rationally calculated political and economic aspirations. The paper aims to downplay both, the viability of the use of the term ethnic conflict as the right way to describe the Georgian-South Ossetian confrontation and the appropriateness of the duality Georgian-South Ossetian conflict in general, offering the idea of using the term Tskinali Region as the best option to denote conflict, hence avoiding the use of historically and ethnically charged concepts. Theoretically the thesis contextualizes the particular case study through elite manipulation theory of ethnic conflicts, seeing agencies and organizations of ethnic elites, rather than ethnic masses, as instigators of conflicting inter-ethnic relations, drawing a clear distinction between the roles of the two. Methodologically the paper compares the political and economic interests of internal and external agencies, starting from the pre-conflicting period, when the conflict was successfully grounded, down to very recent developments, so as to catch the line of change and shift in the role of each actor, hence the way their interaction transformed. The research therefore sets the major political and economic calculations serving as the basis for the conflicting developments of inter-ethnic relations, through making a bridge between the two circles of actors, internal and external, found in the conflict, and offering a wider framework of elites' interests and interactions.

## Introduction

The problem of ethnicity and nationalism, as well as the causes and motives of ethnic conflicts, are, among many other issues, determining and shaping the image of the contemporary era, drawing much interest from different academic disciplines. Having different implications over various spheres of human life (politics, economics, social welfare, etc) and significantly intertwining them with one-another, ethnicity and nationalism turned out to be under the scope of various social sciences and humanities, trying to reflect the causes of its silence for along period of history, and much the same for 70 years long era all over the Soviet space, characterized with great degree of ethnic diversity and too complicated vertical and horizontal relations of various ethnic groups. Although the dissolution of the Soviet Union, resulted in deadly ethnic conflicts, notorious for their brutality and severity, inspired scientists to slightly change their angle of inquiry and to look more for the underlying causes of the great shift and elaborate theories of ethnic conflicts that more or less completely cover the intricate challenges and controversies of ethnicity and nationalism.

In this thesis I am going to look at theories offered by scholars as explanations of prevalence of ethnic conflict in various parts of the world and try to relate them with a particular region of the Former Soviet Union (FSU) – Tskinali Region, Georgia, sharing great deal of general characteristics of the whole space. Nevertheless, as time and space is limited, I will concentrate on the theory considered to be the most relevant for my case study, reflecting best the intricate dimensions of regional ethnic developments – both the reasons of the Soviet time ethnic silence, as well as the post-Soviet ethnic disturbances. Thus, through explaining the reasons and results of the post-soviet regional transformation, I will try to make bridge between the two.

In the course of investigations in the field of nationalism, through the various attempts to approach the reasons of exacerbation of nationalism and ethnic conflicts, divergent theories

were offered for explaining political conflict and violence, quite often being termed as ethnic due to ethnic camouflage. Nevertheless, comprehensive and widely accepted theory explaining the causes and consequences of ethno-political conflicts does not exist in the field yet. Rather, there are approaches and hypotheses that seek to explain particular aspects of ethnic conflict, concerned with how ethnic identities form and change over time or to explain the sources of competition and conflict between ethnic groups in some details, as well as to put the viability of using the concept *ethnic conflict* as an appropriate term for describing most of inter-ethnic cleavages, having all other motivations as a basis, except ethnicity. As Ted Robert Gurr admits, “we are most interested in explanations why and how ethnic groups mobilize (organize for political action) and enter into open conflict – often violent conflict – with the governments that claim to rule them”.<sup>1</sup> Exactly these reasons, their rational and motivational aspects, as well as subjective and objective factors, contributing to their realization, serve to be our primary issues of investigation. The comparative evaluation of the economic and political calculations of the respective elites, contextualized in the framework of interaction of the internal and external elite loyalties, will be the main focus of the research, seen as the crucial preconditions, bringing ethnic groups into conflict.

The paper will focus on elite manipulation theory of ethnic conflicts, seeing agencies and organizations, governed by ethnic elites, rather than ethnic masses, as major defiant and instigators of conflicting transformation of inter-ethnic relations. The proposed theories point to the high probability of peaceful development of inter-ethnic relations, not being affected by elite interests; through their organized manipulation of past, or the very recent events, staying salient for a long period of time, ethnic relations are transformed into bloody conflict at a particular time, aimed at concrete consequences.

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<sup>1</sup>Ted Robert Gurr and Barbara Harff. *Ethnic Conflict in World Politics* (Boulder: Westview Press, 1994), 78.

In order to assess the validity of my proposition I will take the post-Soviet conflict in the Tskinali Region,<sup>2</sup> Georgia, as a case study of my thesis. The thesis will question the use of the duality ‘Georgian-South Ossetian conflict’, pointing to the period of appearance of the concept and showing its underlying reflections, hence downplaying it. The paper argues that the use of the term Tskinali Region is the best option to denote conflict, hence avoiding the use of historically and ethnically charged concepts. The use of the terms *South Ossetia* or *Samachablo* for denoting the conflict region will lead us to the never ended historical and political debates, which is not the aim of the paper to cover, as long as it requires detail analyses of historical geography of the region and its related ethno-cultural processes. On the other hand, pointing to the historically charged political background of the both terms – South Ossetia and Samachablo, stressing various instances of manipulation of history, the paper will demonstrate the use of territorial ethnicity as a camouflage of political-economically motivated elites’ interests in the Georgian-South Ossetian inter-ethnic confrontation.

The brief history of the creation and formation of the two Ossetian lands as political entities, as well as their interrelations, should be provided. First and foremost the contemporary territory of South Ossetia geographically forms the part of *Shida (inner) Qartli* region, being the constituent unit of the Qartl-Kakheti Kingdom in the 18<sup>th</sup> century. The Qartl-Kakheti Kingdom was incorporated by the *Tsarist* Russia in 1801. Ossetians on Georgian territory did not have any separate ethno-political or ethno-territorial administrative formation until 1922, when it was created by the Bolsheviks. The same is true with the appearance of the term *South Ossetia*, created after Georgia was included in the USSR, and later being supported administrative-politically in the framework of the Soviet Union as an autonomous polity of the Georgian SSR. Following the Russian Revolution, the territory became a part of

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<sup>2</sup>We will use the term Tskinali Region to denote the conflict zone, instead of South Ossetia. The underlying reasons for our choice and related controversies with the use of the term South Ossetia will be highlighted below.

the Georgian Democratic Republic, while the Ossetian lands of the North Caucasus became the part of the Terek Soviet Republic, created within the RSFSR. The Terek Soviet Republic existed in March 1918 – February 1919. After the Sovietization of Georgia, and with the end of the Georgian Democratic Republic in February, 1921, the South Ossetian Autonomous Oblast was created in April, 1922.<sup>3</sup>

The last event served as a fruitful basis for manipulation of inter-ethnic relations, for divergent interpretation of history, hence grounding national-political projects of the elites in the post-Soviet period.<sup>4</sup> As for the North Ossetia, after the Revolution it became the part of the short-lived Soviet Mountain Republic in 1921, on July 7, 1924 it was transformed into the North Ossetian Autonomous Oblast and finally, on December 5, 1936, it was proclaimed as the North Ossetian Autonomous Soviet Socialist Republic (ASSR) within the Russian Soviet Socialist Republic.

Exacerbation of relations between the central authorities in Tbilisi and the local polity in the South Ossetian AO coincided with the period of the demise of the Soviet Union and the advancement of the Georgian nationalist movement. Minuscule ethnic disturbances, started from the late 1980's were transformed into warfare activities as soon as the Soviet Union collapsed and the Georgian SSR gained independence. The independent Republic of Georgia, making its very first steps of state-building, facing severe challenges of the post-Soviet

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<sup>3</sup>Otar Janelidze. *The Conflict Zone of South Ossetia – History and Modernity*. (Tbilisi: Axali Azri, 2007).

<sup>4</sup>The last census of population of the region dates back to 1989, conducted before the death of the USSR. According to the census, ethnic Ossetians comprised 66.2 per cent (65.200) of the whole population of the region, while Georgians counted as 29.0 per cent (28.700). The present ethnic composition of the region is unknown, although according to the different sources there were estimated 45 thousand ethnic Ossetians and 17.500 ethnic Georgians in the region (OCHA Situation Report: Georgia: South Ossetia, 23-Sep-03). [www.iys.cidi.org](http://www.iys.cidi.org) South Ossetians formed just over two thirds of their AO's population in 1989, roughly 65.000 out of population 98.000. However only 40 per cent of the Ossetians in Georgia lived within the South Ossetian AO; there was almost 100 000 Ossetians scattered in other regions of Georgia // Svante E. Cornell. *Small Nations and Great Powers – A Study of Ethnopolitical Conflict in the Caucasus*. (Richmond: Curzon Press, 2001), 165.

developments and transformation (economic collapse and political transition) found itself being challenged by its ethnic minorities' counter-nationalisms, mostly in autonomous regions of Abkhazia and South Ossetia, officially declaring their right for independence, at the same time being heavily gravitated towards the former center – Moscow.

Pointing to the particular strengths and weaknesses, contextualizing in a broader international perspective, the paper will take a comparative perspective of the policies of the first president of the independent Republic of Georgia, Zviad Gamsakhurdia, notorious for his nationalist rhetoric, the second president, Eduard Shevardnadze, and the current president Mikheil Saakashvili, directed towards national minorities: the first one causing deadly ethnic conflicts, the last two, passively or actively, seeking the diverse ways of their peaceful regulation and settlement, although in vain until recently.

As the process was not one sided and each ethnic conflict is a result of mutual interactions, on the other hand the policy of the local Ossetian elite, based in the Tskinali Region, will also be analyzed, first and foremost closely looking at the reasons of choice for conflicting behavior by the end of the Soviet Union, and last, but not as a least aspect, analyzing the causes of surfacing and estimating the future role of the Provisional Administration of the Former South Ossetian AO, recently emerging as a new polity in the frozen conflict, headed by Dimitri Sanakoev's alternative government.

Summarizing, the paper will try to reflect the interaction of Georgian and South Ossetian nationalisms in the post-Soviet period through analyzing the mutual reflections of ethno-political projects of both sides, at the same time pursuing the line of their transformation. In this respect, we will closely monitor the process of transformation of the political elites on both sides, hence trying to catch the resulted changes in the respective national-political projects, if they took place.



Through the proposed framework, the interaction of nationalisms in this particular region could be mostly regarded as a matter of grounding, changing and appearing of the new post-Soviet identifications (mostly political and economic) of particular elite units within ethnic groups. Hence stems the divergent interpretations of the past for grounding particular political projects, i.e. supporting particular project through selectively recalling the past historical events.

Last, but not least, we should mention, being tested on comparative analyses of popular speeches and statements of politicians, and political parties and organizations, either Georgian or South Ossetian, no other factor (e.g. mutual ethnic prejudices) could be blamed for the eruption of conflict in the Tskhinvali Region, i.e. between the center and periphery, after the demise of the Soviet Union, as the conducted analysis strongly support the idea of elite driven conflict – clearly pointing elites and their organizations – either popular movements, political parties or their leaders, as the main instigators of the ethnic rivalry. The analyses of the one complex aspect: why and under what circumstances masses followed the respective elites, is an issue of further investigation.

In the paper we are mostly interested to find answers to the following questions:

- What are those reasons and sources, both internal and external, be it political or economical, contributing to the emergence and maintenance of the local elite in the former South Ossetian AO, found to be confronted with the central government of the Republic of Georgia, right after the dissolution of the Soviet Union?
- What are those causes and controversies determining the appearance of the alternative, Tbilisi loyal, political force in the Tskhinvali Region after the change of the central government in Georgia, in 2003?

- How does international society implicate both projects (in broader terms to name them as separatist and integrative with Georgia) and what prospects are there for each of them?

While trying to find answers to these questions, and to explain the post-Soviet interaction of Georgian-South Ossetian nationalisms, the role of the Soviet ethnic politics ought to be looked in some details. In this respect, first and foremost, the substance of the Soviet type territorial autonomy should be contextualized, as long as the conflict arose in the second order unit of the FSU. The autonomous territorial-administrative status of the unit became the matter of harsh debates, seen as a ground and possibility to manipulate and start political-economic bargaining between the new center and the former center after the dissolution of the Soviet Union. Territorial autonomy successfully grounded local elites, providing them with various tools to seek for independent policy and interpret historical past in line with their interests.

On the other hand, the role of Russia and the North Ossetia, although as the paper will demonstrate, the actions of the last one could not be seen as separate from the Russian Federation, as long as it played in line with Russia's interests, and the staged rhetoric of the unification of the two Ossetia, attempts of formation of the strong economic and political ties, all are in full correspondence with the aim of Moscow, using North Ossetians as a camouflage of her politics against Georgia through manipulation of the separatist regime in the South Ossetia, should be deconstructed. The research will demonstrate that the political establishment in Moscow is not unilateral in politics towards the conflict zone and Russia's politics in the region is a matter of changing elites in Kremlin, hence changing the vectors of internal and external political-economic and military-financial preferences.

The analysis of historical developments, as well as the critical overview of various official or non-official sources, will lead us to the possible explanations of the proposed

questions. Summarizing the paper will reconstruct the post-Soviet developments in the region, the implications of interaction of Georgian and South Ossetian nationalisms, with its causing reasons, resulting consequences and future prospective, brought in line with forming and restructuring of mutual loyalties and allegiances of internal and external elites.

## Literature Review

The increase of interest towards the phenomenon of ethnicity and nationalism, and various attempts to elaborate more or less all encompassing theories, explaining a range of aspects of ethnicity, ethnic behavior and nationalist aspirations, as well as their intricate interconnections and mutual influence in recent years, resulted in affluence of great deal of theoretical and methodological literature, as well as numerous case studies, reflecting and implicating those theories on various parts of the world, facing the rise of nationalism and previously hidden and unknown power of ethnicity, mostly surfacing in the face of deadly ethnic conflicts.

The current section deals with the major methodological and theoretical trends existed in the study of ethnicity in general and ethnic conflict in particular. Proposed authors point to the significant deficiencies of all accepted approaches and offer divergent ways to overcome them in order to present multidimensional and substantial analysis of various problems related with the issue of ethnic conflicts and ethnicity, being multidimensional and interdisciplinary problem in their origins and essence.

The valuable analysis of the current deficiencies of existing approaches to ethnic conflicts, and priceless ways to get rid of them, were offered by worldwide known scientists in the field, just to list some of them – Rogers Brubaker, Donald L. Horowitz, Mark Beissinger, Paul Brass, Stuart Kaufmann etc. The most peculiar characteristic of their approaches, though being very different in some aspects, is the general acknowledgment of the significance of the value of interdisciplinary researches, successfully making bridges between, at a glance, previously unrelated issues.

The weaknesses of common and all accepted approaches towards study of ethnicity in general and ethnic conflict in particular is analyzed by Rogers Brubaker in his work entitled

*Ethnicity without Groups*.<sup>5</sup> Pointing to the great deal of literature dedicated to such concepts as class, identity, gender, ethnicity, or multiculturalism, where concept *group* is implicated, for Brubaker the major problem lays in the treatment of the central concept *group* – being taken as granted in the study of ethnicity and ethnic conflict in particular. Alternatively he suggests the term *groupism* for denoting the tendency of treating ethnic groups as chief protagonists of social conflict and fundamental units of social analysis, being accepted as substantial entities to which interests and agency can be attributed. Thus, ethnic groups should not be considered as internally homogenous, externally bounded groups, perceived as unitary collective actors with common purposes.

For Brubaker *groupness* is something that *happens*, or not *happens*, thus the line of analysis should include the analysis of those political, social, cultural and psychological processes through which categories get invested with *groupness*, i.e. highlighting those circumstances determining the success or failure of crystallization of group feelings. The process should be looked from the two angles – from above and from below – as to grasp how categories are proposed, propagated, imposed, institutionalized, discursively articulated, organizationally entrenched and generally embedded in multifarious forms of “governmentality”.<sup>6</sup>

In existing scientific literature around the problem of ethnicity and nationalism, especially in the post-Soviet space, the major problems stem from the absence of tradition and non-existence of clear demarcation between various terms and concepts, quiet often using them interchangeably, intentionally (mostly the case when scientists serve to be the major ideologies and intellectual supporters of political entrepreneurs) or unintentionally (being the result of the Soviet time norms of approaches towards ethnicity, leaving its stamp on several

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<sup>5</sup>Rogers Brubaker. *Ethnicity without Groups*. (Cambridge, Massachusetts, and London, England: Harvard University Press, 2004).

<sup>6</sup>Ibid.

generations of scientists). Although various theories (rational choice, game theory, cognitive theory, network theory, etc) challenge the tendency to address ethnic groups as real, substantial things-in-the-world in line with various constructivist approaches, treating ethnic groups as constructed contingent and fluctuating.

We could conclude, for Brubaker, the major problem lays in automatic equalization of ethnicity, and ethnic conflict in particular, with ethnic groups in general settings, be it academic discussions over the subject or different sort of political discourses, suggesting not to “Adopt *categories of ethnopolitical practice* as our *categories of social analysis*”<sup>7</sup>. Reification itself, to be precise, reifying groups, is what ethnopolitical entrepreneurs are doing. So, for Brubaker not the process itself, but those conditions and circumstances, under which this practice of reification, i.e. crystallization of group feelings can work, matters more for analyses.

In line with his theory Brubaker suggests to look at agencies – various kinds of organizations and their empowered and authorized incumbents (ministries, offices, law enforcement agencies, armed forces units; terrorist groups, paramilitary organizations, armed bands, loosely structured gangs, political parties, ethnic associations, social movement organizations) being organizations and agencies of and for particular ethnic groups – more closely, which, according to his opinion, are major protagonists of ethnic conflicts, inspiring most ethnic violence, i.e. differentiate between interests of ethnic groups and their representing organizations. The roles of organizations and individuals in propagating and flaming ethnic conflicts should be clearly differentiated, as conflict can be labeled as ethnic through actions of perpetrators, victims, politicians, officials, journalists, researchers, etc, as

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<sup>7</sup>Rogers Brubaker. *Ethnicity without Groups*. (Cambridge, Massachusetts, and London, England: Harvard University Press, 2004).

they not only interpret the *violence*, but *constitute* it as ethnic.<sup>8</sup> In this line, Ronald Grigor Suny notes: “The actions and understandings of ethnic masses have been equated or confused with the activities of their leaders, the writings of their intellectuals, or votes of bodies that claim to represent them”.<sup>9</sup>

Concluding, we should consider Brubaker’s suggestions could be valid only for particular cases, as containing high probability of misleading our analyses while trying to approach though the same prism divergent occurrences influenced by different historical circumstances.

Looking closely how ethnicity can be used and misused, interpreted and misinterpreted, we can assume that the same could be true for the stage of ethnic mobilization, which is necessary preparatory stage for both – conflicting interpretation and transformation of developments. The main problem is to find explanation why did ethnic mobilization took place in particular regions, for example in South Ossetia and in Abkhazia, in Nagorno-Karabakh, and why it did not crystallized in Dagestan, being extremely multiethnic region and probably should have been more affected and influenced by the post-Soviet general developments of the Caucasus. Nevertheless, extremely strained multiethnic stability was maintained, both during the period of widespread ethnic appraisals all over the region, and the same is true for the contemporary period.

Ashley J. Tellis, Thomas S. Szayna and James A. Winnefeld go on the Brubaker’s line in their joint book “Anticipating Ethnic Conflict”: ethnicity can be useful tool for political mobilization, although ethnic action does not occur spontaneously but rather requires mobilization and direction, bringing political significance to ethnic attachments and

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<sup>8</sup>Ibid.

<sup>9</sup>Ronald G. Suny. *The Revenge of the Past: Nationalism, Revolution and the Collapse of the Soviet Union*. (Stanford, Calif: Stanford University Press, 1993), 11.

feelings.<sup>10</sup> Frederick Barth further notes, “Ethnic groups are categories of ascription and identification by the actors themselves. We are interested in different processes that are involved in generating and maintaining ethnic groups”,<sup>11</sup> while Harald Eidheim points to ethnic groups, as social categories providing a basis for status ascription and, consequently, interethnic relations are organized with reference to such statuses.<sup>12</sup>

Monica Duffy Toft considers elite-manipulation approaches as the best option to explain reasons why rational actors, political elites, representing states and ethnic groups, resort to violence, as in most cases they [elite-manipulation theories] “straddle material and nonmaterial explanations leaders use to rally support, be it charisma or ability to evoke history and national identity”.<sup>13</sup> Although elite manipulation theory can not be generalized and accepted as a remedy and explanation for all cases, as most of them could fall beyond the framework of its approach. We should not overestimate the value of elite-manipulation approach, as it contains dangers to over predict the power of nationalism and violence, misleading us to properly evaluate the different roles of elites and masses. As elites quite often refer to history for personal gains, and elite-manipulation theory does not explain the reasons of success and failures of particular elites, we could not catch the true sense of elite manipulation of symbols and myths, as well as the cases of perception and interpretation of history for personal gains. In reality, elite-manipulation explanation does not address such cases either logically or empirically.<sup>14</sup>

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<sup>10</sup>Tellis J. Ashley, et al. *Anticipating Ethnic Conflict* (Santa Monica: RAND Corporation, 1998), 2.

<sup>11</sup>Frederick Barth. (ed). *Ethnic Groups and Boundaries: Social Organization of Culture Difference*. (Oslo: Scandinavian University Press, 1994), 10.

<sup>12</sup>Harald Eidheim. *When Ethnic Identity is a Social Stigma*. *Ethnic Groups and Boundaries: Social Organization of Culture Difference*, Edited by Frederik Barth (Oslo: Scandinavian University Press, 1994), 39.

<sup>13</sup>Monica D. Toft. *The Geography of Ethnic Violence - Identity, Interests, and the Indivisibility of Territory*. (Princeton, N.J.: Princeton University Press, 2003), 2.

<sup>14</sup>*Ibid.*, 9.



The intricate dimension and close ties between organizations, leadership, general political context and external influences in fueling and triggering ethnic hatred and warfare, as well as the underlying reasons and conditions, under which ethnic groups refer to conflicting behavior and collective actions, being organized by leadership, are analyzed by Ted Robert Gurr.<sup>15</sup> As Gurr mentions, “manipulation of ethnic differences mobilizes ethnic groups for the political actions, posing demands to governments. While the future collective action is shaped by both subjective and objective conditions, i.e. by the political context and by cohesion of the group, the strategies and tactics of its leaders, the nature of the political system, that governs it, and outside encouragement”.<sup>16</sup>

The same is much true in respect with Georgia, where the post-Soviet nationalist rhetoric, blown up by the leaders of anti-Soviet nationalist movements, were maintained after gaining independence and directed towards ethnic minorities, successfully taken down to masses by the leaders, agencies, mass-media and other nationalist organizations, uprooting the rhetoric apart from the general context and contextualizing it in drastically different discourse.

Elites, exacerbating and causing nationalist feelings among masses, could be motivated for manipulating ethnicity as long as:

- Nationalism serves as the cement of society;
- Defense against competing ideologies;
- Allows greater extraction of resources;
- Reinforces legitimacy of ruling regime;<sup>17</sup>

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<sup>15</sup>Ted Robert Gurr and Barbara Harff. *Ethnic Conflict in World Politics*. (Boulder: Westview Press, 1994), 78.

<sup>16</sup>Ibid., 84.

<sup>17</sup>“Nationalism as Elite Manipulation”, <http://www.stormfront.org> (accessed March, 2008).

- Reinforces elite positions, both politically and economically, as to ground themselves for bargaining on the local, as well as on international arena, with the encouragement of, and in compliance with, the interests of external supporters.

These propositions correlate best with the post-Soviet conflicts of Georgia. In case of the South Ossetia, leaders of autonomous polity referred to nationalism for mass mobilization, using it for retaining positions, threatened from the emerging political establishment in the center after the dissolution of the Soviet Union. On the other hand, in the name of nationalism, they portrayed themselves as defenders and saviors of Ossetians, thus significantly reinforcing and legitimizing their positions; although it serves to be an issue for further investigation, when and how, in the course of developments, and under what circumstances, does new polity and personality, claiming to be the true saviors and only chance for preservation of the nation, emerge on surface.

The analyses logically lead us to acknowledging the fact that emergence of nationalism, exacerbation and surfacing of ethnic feelings and sentiments, quiet often brutal and extremely severe, are to be considered as social and political constructions, being crystallized at a particular time, as a result of purposeful actions of actors. In this respect, Paul Brass points to the role and aims of elites, “who draw upon, distort, and sometimes fabricate materials from the cultures of the groups, be it a language of an ethnic group, the already existing status, the political-administrative devolution or decentralization of the political power, in order to protect their well-being and existence, or to gain political and economic advantage, not for their groups, but for themselves first and foremost”,<sup>18</sup> hence “transforming the nationalist sentiment militant.”<sup>19</sup> Thus, nationalism and ethnic conflicts could be referred

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<sup>18</sup>Paul Brass. *Ethnicity and Nationalism: Theory and Comparison*. (New Delhi: Sage Publications, 1991), 8

<sup>19</sup>Russell Hardin. *One for All – The Logic of Group Conflict*. (Princeton, N.J: Princeton University Press, 1995), 152

as the complex and specific types of interaction between the leaderships of centralizing states and elites, from non-dominant, mostly peripheral, ethnic groups, being formed and determined by multiple internal and external loyalties and allegiances.<sup>20</sup>

The proposed authors do not mention the case of emergence alternative polity and agency at some point in the conflict, gaining support of portion of ethnic group, thus facing with a new reality: the interests of a particular ethnic group is represented by the two separate, mutually exclusive agencies and elites of one and the same ethnic group – one loyal towards the center, another one – striving against of. This can be visualized in its best on the example of our case study – Tskinali Region – which will be analyzed in some details in the subsequent paper.

In the analyses of the divergent causes of ethnic conflicts, depicting the crucial role of particular agencies and personalities, Marilyn Brewer's opinion could be considered a bit vague, while looking the problem from socio-psychological angel, admitting: "A direct relationship between intense in-group favoritism and out-group antagonism might also be expected in highly segmented societies that are differentiated along a single primary categorization, such as ethnicity and religion",<sup>21</sup> so the role of agencies is missing in her statement, thus, unintentionally, all responsibility and weight of reason is vested on ethnic groups, explaining conflict through ethnic terms in general.

Another crucial author in the field of study of ethnicity is Donald L. Horowitz, formulating his major ideas in the fundamental study *Ethnic Groups in Conflict*,<sup>22</sup> which deals with the theories and practices of ethnic conflicts, ethnic observance and affiliations. Looking

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<sup>20</sup>Paul Brass. *Ethnicity and Nationalism: Theory and Comparison*. (New Delhi: Sage Publications, 1991), 9.

<sup>21</sup>Brown B. Marilyn. "The Psychology of Prejudice: Ingroup Love or Outgroup Hate?" *Journal of Social Issues*, Vol. 55, No. 3, 1999, 439.

<sup>22</sup>Donald L. Horowitz. *Ethnic Groups in Conflict*. (London: University of California Press, 1985).

at the goals of ethnic conflicts and analyzing cultural differences or the divergent interest of ethnic groups, as well as explaining reasons of many attempted ethnic secession but few *irredentas*,<sup>23</sup> lead us to find the reasons of salience and exacerbation of ethnicity and ethnic conflicts at a particular time and under concrete circumstances.

To some extent Horowitz shares Brubaker's approach to the study of ethnic conflict, mentioning: "ethnic conflict is, of course, a recurrent phenomenon, shifting contexts make ethnicity now more, now less prominent"<sup>24</sup>, further adding that ethnic conflicts are generally influenced externally by international environment, internally by rationalistic and materialistic calculations, thus "theories of ethnic conflicts should specify what the groups are fighting over – which is not as obvious as it seems – and why ethnic lines of conflict are so important."<sup>25</sup>

Although considering history as a weapon, that can fuel ethnic conflict, Horowitz neglects the idea of interpreting ethnic conflicts as a "revived form of an earlier conflict".<sup>26</sup> Supporting the idea of seeing ethnic conflict as by product of modernization, he points to "the role of elite ambitions and the role of differential modernization of ethnic groups in fostering conflicts".<sup>27</sup> Although referring to non modernized parts of the world, he does not neglect the deficiencies of modernization approach: "modernization theorists might rejoin that the elites in those areas, small though they may be, are disproportionately important ... [concluding that] ... one is left to surmise, either elite manipulations can, without more, induce mass action, or the masses follow only so long as there is a payoff."<sup>28</sup>

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<sup>23</sup>Ibid., 2.

<sup>24</sup>Ibid., 4.

<sup>25</sup>Ibid., 15

<sup>26</sup>Ibid., 99

<sup>27</sup>Ibid., 101

<sup>28</sup>Ibid., 104

Finally, as most of the contemporary ethnic conflicts are matter of secession, Horowitz asserts various aspects, related to the emergence of secessionist movements and later contributing to its successful development, forming the internal and external triangles: the first one comprised of domestic politics – relations of various groups – relations of various regions, within a particular state and the external triangle, shaped by international politics, balance of interests and forces, that extend beyond particular state.

The crucial suggestions for theoretical and methodological analysis of ethnicity and nationalism can be found in the article “Between Local and Inter-Imperial – Russian Imperial History in Search of Scope and Paradigm”.<sup>29</sup> The paper sets the major task of researcher as follows: “Identify those participating in interaction and to understand the logic of their behavior, reconstruct the context of interaction as fully as possible.”<sup>30</sup> Sharing with the suggestion, the problem of our inquiry should be contextualized not only in regional, but in wider international perspective, at each stage of development, being considered as the crucial novelty and new approach of the research.

Mark Beissinger totally concentrates on the case of the Soviet Union, analyzing the interplay of the post-Soviet nationalisms, structures and agencies, through which mobilization of ethnic groups were made possible. Pointing to the absence of analysis of agencies in the literature around nationalism in general, and in those researches, appearing after the dissolution of the Soviet Union, in particular, he stresses the deficiency of the idea considering nationalism as a result of interaction of historically supported social interests and identity position, where structure, not an agency is referred as the major substance of analysis:

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<sup>29</sup>Alexei Miller. *Between Local and Inter-Imperial – Russian Imperial History in Search of Scope and Paradigm*. Kritika: Explorations in Russian and Eurasian History 5, 1, Winter, 2004.

<sup>30</sup>Ibid., 15.

“the idea that identities could be defined in the context of agency or nationalism, both, structured and structuring phenomenon, has not received sufficient attention yet”.<sup>31</sup>

Probably the most important part of his theoretical viewpoint about the general study of ethnic conflicts is expressed by pointing to the existing difference between the study of nationalist *events* and the *eventful* study of nationalism, i.e. nationalism needs to be understood not only as a cause of action, but also as the product of action. The cause-effect relationship serves to be the major theoretical issue in need to be thoroughly addressed.<sup>32</sup>

Bringing the post-Soviet conflicts into his theoretical considerations, Beissinger notes: “Precisely because political controls were so extensive and exaggerated in the Soviet Union, one can more clearly isolate the effects of altering these constraints on the role of agency, than where political constraints operated with less force”.<sup>33</sup>

Analysis of the way of emergence of leaders of secessionist regions and their nationalist movements or organizations in the framework of our research is crucial, as in most cases they were inherited from the Soviet time, retaining their positions through external support, later serving as pawns in the hands of their protectors, while confronting with the central authority.

Svante E. Cornell’s two works – “Small Nations and Great Powers – A Study of Ethnopolitical Conflicts in the Caucasus”<sup>34</sup> and “Autonomy as a Source of Conflict – Caucasian Conflicts in Theoretical Perspective”<sup>35</sup> could be taken as significant investigations, analyzing the role of politization of ethnicity in the post-Soviet Caucasian conflicts through

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<sup>31</sup>Mark R. Beissinger. *Nationalist Mobilization and the Collapse of the Soviet State*. (Cambridge; New York: Cambridge University Press, 2002), 9.

<sup>32</sup>*Ibid.*, 11.

<sup>33</sup>*Ibid.*, 36.

<sup>34</sup>Svante E. Cornell. *Small Nations and Great Powers – A Study of Ethnopolitical Conflict in the Caucasus*. (Richmond: Curzon Press, 2001).

<sup>35</sup>Svante E. Cornell. “Autonomy as a Source of Conflict – Caucasian Conflicts in Theoretical Perspective” *World Politics*, Vol. 54: 2. (The Johns Hopkins University: The Johns Hopkins University Press, 2002), 24.

comparative perspective, closely looking at the role of agencies – both regional and international – playing crucial role at the period of formation and escalation of conflict, later contributing to the persistence of the gained *status quo*. Evaluating the post-Soviet regional ethnic upheavals in the light of the Soviet time regional policy, the idea that distribution of power between majorities and minorities, artificially constructed territorial-administrative borders and borderlands (in the North Caucasus in particular) found to be the subject of manipulation in the post-Soviet period, transformed as a bone of contention between various ethnic groups as a result of the Soviet time policies, implemented in the field of education, administration, governmental organization, etc, is strongly stressed.

Cornell closely looks at autonomy, to be precise, the Soviet time autonomous statuses, separating it as one of the major sources of the post-Soviet conflicts, providing minority ethnic groups with certain power through local administrative institutions, contributing to exercise independent policy, in most cases directed against central governments, thus successfully pushing them towards conflicting behavior.

Territorial autonomy was the major institution escalating situation between center and peripheries in the post-Soviet Caucasus. This is particularly true in respect with Georgia and Azerbaijan. After the dissolution of the USSR, in the newly independent states of the South Caucasus, ethnic problems arose in those regions and ethnic sentiment was exacerbated among those minorities, which were provided with territorial autonomous status in the framework of the Soviet Union. Minority elites, driven by rational calculations and desire for retaining their positions, with the significant external encouragement, found autonomy as a toll and the main institution, providing plenty of political and economic resources, serving as the basis for shaping and expressing their aspirations.<sup>36</sup>

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<sup>36</sup>Svante E. Cornell. *Small Nations and Great Powers – A Study of Ethnopolitical Conflict in the Caucasus*. (Richmond: Curzon Press, 2001).

Through manipulation of the various aspects of territorial autonomy, i.e. when, how, under what circumstances it was created, as well as through hypothetical bargaining over the future type of relations with the political entity it formed part and with the former center – Moscow, territorial autonomy served as a fruitful basis to form and ground the new type of internal and external loyalties and allegiances, quite often, directly or indirectly, uniting the former center and the former second order unit against the newly independent state. In the framework of our research, the abovementioned idea could be formulated as follows: Tskinali + Moscow vs. Tbilisi.

The national rhetoric of the new nationalizing state and its approach towards the autonomous entities, the last seen as the tool in the hands of Moscow directed against the newly gained independence, should not be missed from the general picture all along the analyses of the processes. Although the authorities of the newly gained independent states rightly evaluated the possible threats stemming from the territorial autonomies compactly settled with ethnic minorities, they seriously miss assessed the prospective of external loyalties towards the elites in autonomous areas, while the local elite groups successfully exploited them for the secession from the center.<sup>37</sup>

We could agree mostly to Pål Kolstø, admitting: “territorial autonomy is unlikely to lead to the desired goal, rather to the contrary: groups that are granted territorial autonomous status will tend to use this as a jumping ground to achieve full independence”.<sup>38</sup> This statement was fairly revealed and can be easily justified in the whole space of the post-Soviet Caucasus, nevertheless, only particular regions were driven to ethnic conflicts, and others,

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<sup>37</sup>Steven F. Jones. *Revolutions in Revolutions within Revolution: Minorities in the Georgian Republic*. ed. Zvi Gitelman, The Politics of Nationality and the Erosion of the USSR (London: Martin's Press, 1992), 87.

<sup>38</sup>Pål Kolstø. *Territorial Autonomy as a Minority Rights Regime in Post-Communist Societies*, ed. Will Kymlicka and Magda Opalski, Can Liberal Pluralism Be Exported? Western Political Theory and Ethnic Relations in Eastern Europe (Oxford: Oxford University Press, 2001), 215.



with autonomous statuses as well, stayed silent. I would suggest that an explanation of these, and other similar peculiarities, lies in the analyses of the process of structuring and restructuring of political and economic loyalties and the post-Soviet preferences of the internal and external elites and agencies, and in their intricate interrelations at different times, in particular.

## Theoretical Framework

The elite manipulation theory, explaining ethnic conflicts as elite driven clashes and controversies, will comprise the theoretical web of our research. Although being aware of the main deficiencies of the proposed approach, we will critically reflect both – the theory, as well as empirical case, being contextualized in its frame, while trying to inter-relate them with one another. This will help us to offer multidimensional and substantial analysis of various problems related with the issue of ethnic conflicts and ethnicity, being multidimensional and interdisciplinary problem in their origins and essence.

First and foremost the major tendency should be overcome in the analysis of ethnic conflicts, treating ethnic groups as internally homogenous, externally bounded groups, while the analysis of those political, social, cultural and psychological processes through which categories get invested with *groupness* should be grounded, as this new approach will help us not to “adopt categories of ethnopolitical practice, as our categories of social analysis”<sup>39</sup>, thus get rid off unintentionally doubling or reinforcing the reification of ethnic groups in ethnopolitical practice with a reification of such groups in social analysis. On the other hand, this will be a step towards clearly differentiating between the masses and leaders, as in most cases the last serve to be the drivers of ethnic conflicts, rather the first.

The proposed new line of approach towards the study of ethnicity and ethnic conflict suggests us to look at the interrelation of subjective and objective factors, involved in process, being in close interrelations with each other. Exactly they make the complex web, under which conflicting transformation of processes are made possible and are still maintained. On the other hand, we should look at organizations and individuals more closely, as although

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<sup>39</sup>Rogers Brubaker. *Ethnicity without Groups*. (Cambridge, Massachusetts, and London, England: Harvard University Press, 2004).

organizations serve as protagonists of ethnic conflicts and violence, in reality conflict can be carried out spontaneously by individuals through different actions.

Dealing with the process of use and misuse, interpretation and misinterpretation of ethnicity, we should think about the stage of ethnic mobilization as a necessary phase for both – conflicting interpretation and transformation of developments. The main problem is to find explanation why ethnic mobilization takes place in particular regions and under what circumstances it is made possible. This leads us to differentiate various relevant actors involved in interaction and point to those territorial units and persons on spot – placed on particular positions – providing recourses for conflicting transformation of processes.

Considering nationalism to be a political project of a particular period, we should look at elites/leaders as grounded on pre-defined national units, thus being authorized to speak in the name of ethnic group. Their position enables elites to skillfully manipulate nationalism among masses, mobilizing them against members of other groups in a preventive or preemptive way. Although we should try to find answer on the question: Do the leaders who emerged in the region of our interest (Tskinali Region) fully represent the interest of local population, being the timeless question as currently in the region we face with the fact of existence of the two polities with diametrically different political projects, enabling us to speak about the two South Ossetian nationalisms.

Sharing with Brass that ethnicity and nationalism are to be looked as the social and political constructions, like the roles and aims of elites,<sup>40</sup> we should search the reasons of appearance of the two polities in the conflict, placing the two nationalist agendas for South Ossetians. In this respect the political, economic and social motivations of the two projects,

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<sup>40</sup>Paul Brass. *Ethnicity and Nationalism: Theory and Comparison*. (New Delhi: Sage Publications, 1991), 9.

with the external involvement, should be caught, thus pursuing the particular ways of inter-ethnic relations.

Framing the theoretical part of the research, we are left with the idea that investigation of the post-Soviet conflict in the Tskinali Region, through looking at the process of interaction of Georgian-South Ossetian nationalisms, will be mostly an analysis of relations between agencies and organizations of the two ethnic groups in broader perspective, bringing external actors in the analyses, pushing us to share with Miller's suggestion to "identify those participating in interaction and to understand the logic of their behavior; reconstruct the context of interaction as fully as possible."<sup>41</sup>

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<sup>41</sup>Alexei Miller. *Between Local and Inter-Imperial – Russian Imperial History in Search of Scope and Paradigm*. Kritika: Explorations in Russian and Eurasian History 5, 1, Winter, 2004, 15.

## Chapter I. Actors in Conflict

As a general rule great majority of theories of ethnic conflict readily assume conflicting sides as unitary actor unified around the same cause. The present paper argues that this kind of approach to ethnic conflict significantly overlooks the complexity of the conflicts and prevents us from fully grasping the intricate picture, as comprised of numerous internal and external actors found in close interaction, with divergent, in most cases mutually exclusive, political and economic interests.

Analyzing the conflict erupted as a result of the dissolution of the Soviet Union in the framework of successor independent states we should closely look at the role of several agencies, comprising the two circles – agencies of international significance and agencies of the local influence – being found in interaction. It is crucial to stress, the local actors where more prone to change, as some of those agencies disappeared by the time of the dissolution of the USSR, although successfully substituted with the new ones. The list could be arranged chronologically as follows: Soviets – autonomous level, local union and all-union one. The popular fronts and national movements emerged as the local polity actors by the time of the dissolution of the Soviet Union, and the same ones, later strengthening their positions on governmental level *de-jure* or *de-facto*, thus changing their nature, being found in a new type of interaction. The Provisional Administration of Former South Ossetian AO, headed by Dimitry Sanakoev, serves to be a relatively recent regional player, both, denied and supported, by some local, as well as international agencies.

As for international actors, they are relatively stable players, although they could be sorted as those directly involved in the regional process (CIS and Russian peacekeepers under its roof, hence Russian Federation, OSCE) and those passively or actively implicating over the regional developments (Council of Europe, EU, USA). In total, all abovementioned organizations comprise the international net of actors, to whom the future fate of the separatist

region is related, in spite of what sort of solution will be implicated – secession or integration with Georgia.

The interactions, interests, demands and decisions of the above listed actors were crucial inputs to the complexity of the situation. Here stems the major deficiency of the most theories of ethnic conflicts, as they do not differentiate between the interests and demands of the communities and those of their representative elites, who seemingly struggle for the same cause. On the other hand, succession of leaders on each side serves to be mentioned as a crucial factor in the regional developments. Although the transformation of situation was not in line with the change of leaders, being untouched and unaffected for a long period, until more or less significant transformation brought with the Georgia's Rose Revolution of 2003, followed with the appearance of the new policy of conflict settlements from the side of the new elite in Tbilisi.

It is crucial to mention, situation in the conflict zone remained unchanged and the imposed *status quo* remained untouched during the whole period of Shevardnadze's Presidency, showing no signs of willingness to alter the existing mode, leading to the severe criticism of high rank officials of his cabinet being directly interested economically and gaining financially out of the existing *status quo*. On the other hand, the Presidency of Saakashvili, just from the very beginning, was marked with an attempt to reach breakthrough in the conflict through different methods, although in vain until recently, according to experts, caused as a result of high internal and external financial interests in the conflict zone.

## Chapter II. Controversies of Confrontational Stance

The chapter will analyze and comprehend various aspects, determining and shaping the confrontational line of developments in the Georgian-South Ossetian relations, fairly strongly grounded by the time of dissolution of the Soviet Union. We would suggest differentiating between elites and masses in this respect, first and foremost look at interaction of the respective elites, shaping the post-Soviet local politics and determining the conflicting line of relations, successfully steering masses to follow their line through manipulation of ethnicity, via bridging history and politics of the region and people.

Approaching the confrontation between the central government of Georgia and the local polity in the peripheral region, i.e. former South Ossetian AO, through the prism of interaction of ethnic agencies and their governing elites, we should mostly look at sources (political, economic) elites were based on and referred for implementation of their power politics. First and foremost this will be politics in the conflict zone, both – political and economic, delivered through the autonomous status, South Ossetia hold in the framework of the Georgian SSR, as well as those divergent means of economic activities, appeared in the Tskhinvali Region after the end of warfare activities. On the other hand, we should closely look at the external force(s), serving as the major political and military-financial supporter of those, looking for the ground to build conflict on. Showing different instances of successful interaction of internal and external agencies, obviously those, desired for bringing the two ethnic groups in conflict, we will manage to depict the whole picture of the problem through its confrontation side – started from the initial phase, when conflict was blown up, down to the contemporary period, when it is still maintained and preserved successfully through the, at a glance, frozen *status quo*.

It will be rational to assume, proposing as a hypothesis, the choice for confrontational attitude can be justified by the fear of the local elites to lose their positions under conditions

of significant changes, thus, through offering the new rules of power game, contributing to the general post-Soviet transformation turmoil, through playing an ethnic card launching more favorable line of developments for them. As for ethnicity and ethnic difference, it could be seen as a camouflage of elites' rationally calculated aspirations – rationally not only for the local elites seeking for retaining their positions, but for the former center as well, enabling Moscow to legitimize its presence in the South Caucasus, and in the post-Soviet independent Georgia in particular, as a crucial actor and a major player in the regional politics.

The suggested ideas necessitate an analysis in some detail of the very last years of the existence of the Soviet Empire, as by the end of the 1980's some signs of ethnic movements, not favoring the Georgian National Movement, already existed among South Ossetians, first and foremost the creation of the South Ossetian popular front *Ademon Nykhas* should be mentioned in this respect, serving as the major polity and determinant force of the South Ossetian national movement.

The attempt to analyze the reasons, causes and controversies over the relations between the two post-Soviet national projects, that of Georgian and South Ossetian, considered to be mutually exclusive and confrontational due to the staged line of developments, brings us to look the intersection of political and economic aspects of the conflict, at a glance considered to be hidden one under widely propagated ethnic pretexts, although being crucial factors on which the interests of internal and external forces were, and are still, run and intersected, at the same time making ethnicity more voiced and visible, as being more tangible element, conducting to legitimization of concrete actions and the new power politics.

Started from the late 1980's, characterized with the minuscule incidents, mostly featured through high profile ethnically blurred kidnapping and murdering of both – ordinary



citizens, as well as more notorious persons,<sup>42</sup> till 1990's, when first medium size inter-ethnic military clashes took place, thus the hot phase of the conflict was staged, up to the very last period, a great deal of efforts were shown to describe these developments as inter-ethnic confrontations, stemming from ancient hatreds and rivalries between the two ethnic groups. Therefore, underling political and economic reasons, playing the crucial role and forming the wider frame of the conflict, were, and are still covered, under ethnic camouflage. We should mention, some allegations that Ossetians were disadvantaged in Georgia, mostly in terms of political participation, can be easily blurred as there is a great deal of evidence pointing to the fact that Ossetians occupied high rank positions within the local governing bodies and strengthened their positions on local level through the South Ossetian AO during the Soviet times, being capable to voice their concerns on local, as well as on the central level.<sup>43</sup>

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<sup>42</sup>It is supported with great deal of documentary materials, that victims of particular criminal activities, carried out mostly on an ethnic basis, were mostly Georgian nationals, rather than Ossetians. Those particular cases were documented by the Ministry of Interior Affairs (at that time still the Ministry of Interior Affairs of the Georgian SSR) and were filed for further investigation, nevertheless no of them were thoroughly carried out and brought to the logical conclusion, although particular persons were exceptionally figured out, to whom responsibility ought to be vested on.

<sup>43</sup>By 1981 in the Communist Party of Georgia there were 275.403 Georgians – 78.6% and 10.732 Ossetians – 3.1%. We should mention, by 1979 ethnic Georgian and Ossetian population of the Georgian SSR correlated as follows: Georgians - 3.433.011 (68.8%), Ossetians - 160.497 (3.2%). On the other hand, by that time, in South Ossetian AO the figure of the whole population stands as 97.988, among them – Georgian - 28.187 (28.8%) and Ossetian - 65.077 (66.5%). The ethnic representation of deputies by 1977: In the Supreme Soviet of the Soviet Union 74 deputies were elected from Georgian SSR, among them 48 Georgian and 4 Ossetians. In the Supreme Soviet of Georgian SSR 400 deputies were elected in total, among them 322 ethnic Georgian and 8 ethnic Ossetian. On the other hand, in the local Soviets of Georgian SSR 37.995 ethnic Georgian and 1923 ethnic Ossetian were elected. In the Supreme Soviet of the Soviet Union there were elected 73 deputies from Georgian SSR, among them Georgians 48 and Ossetians – 4. On the other hand in the Supreme Soviet of Georgia there were 440 deputies elected in total, among them 351 Georgians and 9 Ossetians. In the local Soviet of the South Ossetian AO and in all local Soviets existed in Georgia the places were redistributed as follows: 38.947 Georgians and 1959 Ossetians (*National Statistics of Georgian SSR (1922-1982) – Statistical Annual*. (Tbilisi): Soviet Georgia, 1982, 15, 16, 31.

The analyzes of various aspects of the wider circumstances, comprising intricate web of conflicting developments, leads us to the conclusion that conflict was mostly a matter of personal preferences, stemming from the danger of losing particular positions within local governing structure, with all accompanied political and economic benefits, after the great shift in general political milieu. Some units within ethnic groups opted for conflicting transformation of developments, as the general disorder contributed to the maintenance of particular positions and, as hoping for success, even assisted in grounding of the new, more favorable, *status quo*.

Developments in breakaway region have serious economic and political repercussions.<sup>44</sup> No legal means exist for the import of goods from Russia to Georgia through South Ossetia and along the Transcaucasian highway and it is impossible to travel legally to or through Georgia along this route.<sup>45</sup> Thus, all economic activities in the conflict zone, either through the Northern border, or on the de-facto border with Georgia, heavily contributed and still contributes, although on a considerably smaller scale, to the formation and maintenance of the black market, with its accompanied shadow economy.

In the conflicting developments in the Tskinali Region, the role of the North Ossetia both, in terms of politics and economics, are hardly to be denied. Although it could be a matter of contention does the Northern counterpart and its political elite exercises

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<sup>44</sup>A handful of analysts warned that closing the Ergneti market – while justifiable economically and legally – would increase potential for renewed conflict between South Ossetia and Georgia. One group of specialists recommended instead coordination of customs and tax policies with neighbouring countries, rationalisation of salaries, and improvement of the Georgian tax code. [Roman Gotsiridze, Alexander, Kukhianidze, Alexander, Kupatadze. *Smuggling through Abkhazia and Tskinali Region of Georgia*. (Tbilisi, 2004), 75-77]. Transnational Crime and Corruption Center (TraCCC), Georgia Office. [www.traccc.cdn.ge](http://www.traccc.cdn.ge) (accessed April, 2008)

<sup>45</sup>From 10 September to 22 October 2004, the only other major border crossing between Russia and Georgia, the Larsi checkpoint, was closed. Georgian authorities blocked several trucks and buses carrying Armenian citizens, claiming they had illegally crossed into Georgia through the Roki tunnel.

independent politics towards the Southern brethren, or they are merely pawns in the hands of the political establishment in Moscow. The words of Lavrov could serve as an indirect prove of the statement: “Authorities of the Russian Federation will strive for the co-existence of all Ossetians. In spite of the current demarcation line, we will manage to achieve the goal, at the same time bring the new reality in full correspondence with the international norms”.<sup>46</sup>

### **1. Political Aspects**

The period of eruption of severe ethnic conflict on the territory of South Ossetia AO coincided with the era of great political shift, both at local, as well as on international arena. First and foremost the dissolution of the USSR significantly affected on local developments: the national movements of the newly independent states found themselves in the position of governments, their leaders, willingly or unwillingly, whether they were prepared for it psychologically, but first and foremost politically, had to shape the politics of newly independent states; and the same is mostly true in respect with Georgia, where the leader of the Georgian National Movement, Zviad Gamsakhurdia, became the president of the multinational country, immediately to be confronted by the national movements of the marginal minority ethnic groups – South Ossetians and Abkhazians – compactly settled on peripheral areas, bordering Russia, provided with autonomous statuses in the Soviet time administrative hierarchy.

Confrontation between Georgians and South Ossetians on an initial stage was passive, characterized with mutual allegations on various grounds and continuous attempts to find something to start quarrel with. Although it was not as hard as it seemed to find contentious

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<sup>46</sup>“We wish all Ossetians to live together, in spite of the current border run between them”. Regnum News Agency. <http://www.regnum.ru/news/870735.html> - Published 09:53 15.08.2007 (accessed April, 2008)

issues to start fight over, meanwhile the near history provided both sides with plenty of resources to manipulate with, thus launching the ground for confrontation.

First and foremost, the soviet time territorial autonomy of the region successfully served as the bone of contention between the center and periphery, leading to harsh debates over the future status of the South Ossetian AO – targeted from both sides – for one, seen as an opportunity to upgrade their status in the Union, hence leaving the framework of the Georgian SSR it formed part with, for the other, seen as the structure, a mere tool in the hands of the local, as well as external power, to play with against independently minded Georgian SSR (to be more precise, against the central government of the Georgian SSR).

The launched debates initially were not harmful for inter-ethnic relations, but as time passed, contention over the status of South Ossetia sharpened, leading to the abolition of the Autonomous AO of South Ossetia by the head of the Supreme Soviet of the Georgian SSR – Zviad Gamsakhurdia, as soon as the local authorities of South Ossetia unilaterally upgraded the status of the Autonomous *Oblast* up to the Union Republic.

Most of contemporary critics, as well as those, forming the political milieu of Georgia in the late 1980s and early 1990s, condemn Gamsakhurdia not only for radicalism, that drove ethnic minorities further from the Georgian state, being afraid of his nationalist rhetoric, but also for the split of the national movement into different factions, through taking unreasonably radical position towards his opponents, thus unintentionally paving way for surfacing new figures and politics, later significantly determining his demise.<sup>47</sup> On the similar basis, they denounce his unreasonable and unforeseeable actions, like that of immediately abolishing the autonomous status of South Ossetia, without considering seriously the possible

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<sup>47</sup>In this respect the Mkhedrioni (Riders) military organization and their leader Jaba Ioseliani should be paid some attention.

threats stemming from it. In order to further analyze formation and development of the confrontation line, let's follow the developments in sequence.

The actual warfare stage of confrontation between Georgians and South Ossetians was preceded by the so called *War of Laws* between the two polities, which mostly could be summarized as the contention over the legal basis of the autonomous status of South Ossetia within the Georgian SSR. Hereafter stems continuous debate over the issue what was the right way of interpretation the USSR Constitutions in order to determine the relations between the central government of Georgia and that of the peripheral region after the demise of the Soviet Union. Another line of debates refers to an attempt from the side of the central government of Georgia to denounce the term *South Ossetia* while denoting conflicting parties and use more neutral term – Tskhinvali Region – as the last one, enables the central government of Georgia to avoid the depiction of ethnic difference as a causing reason of the conflict.

The manipulation of history contributes much to the controversies over the creation and abolition of the South Ossetian AO. Hence stems the bargaining between the conflicting parties, selectively referring to the historical facts and quite often differently interpreting one and the same narrative. History does give answers, although from the angel, the question is posed to it. Thus, in most cases, from the both sides, be it ethnic Ossetian or Georgian, we have contradicting and mutually exclusive subjective historical narratives, based on different interpretation of one and the same particular fact.

Considering the importance of the abovementioned statement, we should mention: first and foremost the contemporary territory of South Ossetia geographically forms the part of *Shida (inner) Qartli* region, historically being the part of the Qartli-Kakheti Kingdom in the 18<sup>th</sup> century. The Qartli-Kakheti Kingdom was incorporated by the *Tsarist* Russia in 1801

hence lands resided by Ossetians with it.<sup>48</sup> At that time, Ossetians were dispersed in different regions of Georgia, while compactly residing in several areas. As for the number of Ossetian population, according to the population census conducted by the administration of the Tsarist Russia, in 1886-1897 the figure stands as 76 thousand, in 1864-1873 – estimated 48.5 thousand, 1800-1873 – 34.3 thousand.<sup>49</sup>

Ossetians, residing in Georgia did not have separate ethno-political or ethno-territorial administrative formation until 1922, when it was created by the Bolsheviks and supported administrative-politically in the framework of the Soviet Union as an autonomous polity of the Georgian SSR after Sovietization of Georgia.<sup>50</sup> Arthur Tsutsiev refers to the creation of the South Ossetian AO, declaring it to be a result of the national-territorial administrative politics of the Soviet engineers.<sup>51</sup>

The South Ossetian AO, based during the first years of the creation of the Soviet Union, was far from the real essence of autonomy, as a self-governing institution. It was more in line with the Soviet ethnic policy and ethnic engineering, providing ethnic minorities with various self-governing institutions in various parts of the Soviet Empire. As Svante Cornell admits, through paradoxical use of nativization (*korenizatsiia*) process of the 1920s, the actual

<sup>48</sup>Svante E. Cornell. *Autonomy and Conflict – Ethnoterritoriality and Separatism in the South Caucasus: Cases in Georgia*, (Uppsala: Uppsala University, 2002).

<sup>49</sup>Kote Antadze. *Population of Georgia in XIX Century* (Tbilisi: Ganatleba, 1973). [Author refers to the sources of the population census conducted by the administration of the Tsarist Russia, preserved at the Central State Historical Archive of the Soviet Union and various population censuses, conducted at different times. [Центральный государственный исторический архив СССР в Ленинграде, ф. 1263, оп. 1, д.982; ф. 1290, оп.4, д.544; and Первая всеобщая перепись населения Российской империи 1897. СПб., 1905, 61, 79].

<sup>50</sup>Otar Janelidze. *The Conflict Zone of the South Ossetia – History and Modernity*. (Tbilisi: Axali Azri, 2007).

<sup>51</sup>Артур Цуциев. *Атлас этнополитической истории Кавказа (1774-2004)*. (Москва: Европа, 2006), 66-67. [Artur Tsutsiev. *Atlas of Ethnopolitical History of Caucasus (1774-2004)*. (Moscow: Evropa, 2006), 66-67].

power of autonomies was diminished at the expense of the central power.<sup>52</sup> Although sharing with Ted R. Gurr, arguing that negotiated regional autonomy has proven to be an effective antidote for ethnopolitical wars of secession in Western and Third World States and Kjell-Ake Nordquist, pointing to autonomy as a “self governing intra-state region, conflict-solving mechanism in an internal armed conflict, seen as a theoretical and practical option for the parties involved in conflicts”<sup>53</sup>, Cornell admits, that in case of the former Soviet Union autonomous status carried with it a state structure around which ethnic mobilization took place.<sup>54</sup> Cornell points to once particular peculiarity, referring autonomy in the post-Soviet Georgia: What can be observed here is that the state advocates a return to autonomy for the rebellious minority, the latter refusing to accept any solution short of independence. Renewed solution based on the concept of autonomy, is more generous, and certainly more real, than in the past.<sup>55</sup>

Sharing with Hurst Hannum, admitting: “if properly based and referred, autonomy could provide remedy to territorially concentrated minorities, although it should match with specific historical and territorial situation, at the same time autonomous territorial-administrative institutions should be based on democratic principles, not on ethnic criteria”,<sup>56</sup> we should mention: the last principle, along with others, as posed by Hannum, was violated during creation of autonomous unit out of the lands populated by Ossetians, stressing ethnic nature of the unit. Meanwhile, through “stressing ethnicity, the political elements were

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<sup>52</sup>Svante E. Cornell. *Small Nations and Great Powers – A Study of Ethnopolitical Conflict in the Caucasus*. (Richmond: Curzon Press, 2001), 42

<sup>53</sup>*Ibid.*, 45

<sup>54</sup>*Ibid.*, 45

<sup>55</sup>*Ibid.*, 44

<sup>56</sup>Hurst Hannum. *Territorial Autonomy: Permanent Solution or Step toward Secession?* (ZEF Bonn: Center for Development Research. 2000), 2.

introduced, being natural characteristics of each autonomous regime, although considered to go far beyond those traditionally acknowledged to be essential for protection of minorities”.<sup>57</sup>

In line with the abovementioned judgment, we should stress: Saakashvili’s idea of the solution of the conflict in the Tskinali Region could be based on the following reasoning: 1. Abolition of autonomy once lead the parties to the conflict. 2. Introducing the status of autonomy anew is in line with the historical past, i.e. rebuilding the previous *status quo*, on the other hand preserving the *Uti Possidetis* of the state, thus being the best solution of the problem. Considering the flexibility of autonomous status, a real, effective autonomy is offered by Saakashvili, the one that was not granted and was not possible during the Soviet times.<sup>58</sup>

As for the appearance of the term *South Ossetia*, it was introduced earlier, during the Tsarist Russia. The term *South Ossetia* first time was used in 1830, when it appeared on the pages of the newspaper “*Tbilisskie Vedomosti*”. In several official documents of 1830’s Ossetians residing in *Shida Qartli (Inner Qartli)* region, are referred as “Ossetians of Qartli residing on the Southern banks of the Caucasian Mountains”. The term *South Ossetia* is frequently used in official documents of the *Tsarist Russia’s* colonial administration since 1860s.<sup>59</sup>

It is crucial to mention, the fact of existence of separate South Ossetian AO and early struggle of the local Bolsheviks in 1917-1921 for secession from Georgia and unification with Russia during the existence of the First Democratic Republic of Georgia (1918-1921) is interpreted as the long standing desire of Ossetians to live with Russia. On the other hand, the fact that South Ossetia joined the Soviet Union in the framework of the Georgian SSR as an

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<sup>57</sup>Ibid., 3

<sup>58</sup>See: Appendix I.

<sup>59</sup>Guram Kutaladze. “So Called South Ossetia”. Newspaper *Saqartvelos Respublika*, 24.04.2008



autonomous polity is described as the result of the chauvinist aspirations of ethnically Georgian architects of the Soviet Union – Stalin and Ordjonikidze.<sup>60</sup>

The offered analyses leaves us space to suggest that above described developments, leading to severe inter-ethnic confrontation, were fairly well supported by the historical past; history of the region, and that of the Georgian-South Ossetian relations in particular – both the Soviet time and pre-Soviet one, were successfully manipulated by political organizations. It's crucial to mention, manipulation of historical facts was accompanied by introducing alternative versions of history on each stage – during pre-conflict and conflict phase, as well as afterwards, playing crucial role in further development and maintenance of the confrontational situation, although it could be a matter of further contention, whose share is more in this realm?

The past events, shown through the prism of historical politics, can serve as a strong tool for stirring and brainwashing masses. Historical politics could be considered to be the construction of elites, making masses to follow, delivering them with their image as victimized once, although transforming one particular *case of victimization* as a pretext for introducing and strengthening of the sense of continuous *[self]-victimization*. Besides, as we deal with the case of manipulation of history, we should mention: started from its creation, the South Ossetian AO was not unification of lands, populated by purely ethnic Ossetians. Being in full correspondence with the Soviet time ethno-administrative policy, those lands, populated by ethnic Georgians, having no trait of Ossetian settlements on them – mostly

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<sup>60</sup>Жоржوليანი, Г., Тоидзе, Л., Лекишвили, С., Матарадзе, Л., Хоштариа-Броссе, Э. *Исторические и политико-правовые аспекты грузинско-осетинского конфликта и основные пути его урегулирования*. Тбилиси, 1992 [Georgi Jorjoliani., Levan Toidze., Solomon Lekishvili., Edisher Khoshtaria-Brose. *Historical and Political-Judicial Aspects of the Georgian-South Ossetian Conflict and the Main Trends in its Regulation* (Tbilisi: Ganateba, 1992), 18

Georgian dominated city Tskhinvali and dozens of its adjacent Georgian villages – were attached to the South Ossetian AO.<sup>61</sup>

After mixing the lands populated by ethnic Georgians and South Ossetians in the South Ossetian AO, ethnic Ossetians turned out to be in ethnic majority position in the newly formed territorial-administrative entity and the demographic balance was maintained in favor of Ossetians till the end of the USSR.<sup>62</sup> In our turn, we would add, the exercised policy was in full correspondence with the Soviet ethnic and territorial-administrative politics, being tightly intertwined with one-another.

Considering the fact that history and policy building is tightly intertwined in explaining the new forms of relations between the centre and periphery – relations between territorially grounded elites of ethnic polities, we are left with the political reasoning of the post-Soviet confrontation. In this respect, we should rather closely analyze the underling targets and possibilities of multi-faced interpretation of the Soviet Union's Constitution: Authorities of the central government of Georgia neglected the viability of the USSR constitution, declaring it to be unreasonable argument for supporting the position of Ossetians, as long as it could not downplay the Constitution of 1921<sup>63</sup> of the First Democratic

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<sup>61</sup>Документы в книге «Из истории взаимоотношений грузинского и осетинского народов». Тбилиси, 1991. Стр. 56-73. [Documents in the Book “From the History of Relations of Georgian and Ossetian People”. (Tbilisi: Ganatleba, 1991), 56-73].

<sup>62</sup>According to the last population census held in 1989 the total population of Georgia was determined as 5.443.000. Among them Ossetians counted 164,000, nearly 3 per cent. While the total population of South Ossetian AO was determined as 98,527, among them Georgians 28,544, while Ossetians - 65,195, that is 66.2 per cent of the total population of the South Ossetia AO. [Table I. Ethnic Composition of Georgia and Autonomous Regions by 1989 in David, Schaich. *Abkhazia: Nationalism, Conflict and History*. <http://daschaich.homelinux.net/writings/serious/abkhazia.pdf>]. Monitoring demographic situation in the region, Ossetians on the territory of the South Ossetian AO were maintaining ethnic majority positions till the dissolution of the Soviet Union. [See: The World Factbook. [www.bartleby.com](http://www.bartleby.com); [www.britannica.com](http://www.britannica.com)]; (accessed April, 2008)

<sup>63</sup>Some misunderstanding stems from the fact that Georgia declared independence as the state created after the dissolution of the USSR, although Gamsakhurdia was pushing the idea of the legacy of the first Democratic Republic of Georgia.

Republic of Georgia, being the framework determining relations between the central government of Georgia and the local polity in South Ossetia, while for South Ossetians it serves to be the sole legal document, corresponding to their claims of independence.

The major events, what was to be later called as the *War of Laws* and being transformed into severe ethnic clashes, all started on November 10, 1989. On the day, the special session of the Deputies of the Soviet of the South Ossetian AO was held, mostly reviewing the two crucial issues: declaration of Ossetian language as the state language of the Autonomous Oblast and delivering changes in the status of the South Ossetian Autonomous Oblast.<sup>64</sup> Responding, the Supreme Soviet of the Georgian SSR, denounced and annulled the abovementioned decision of the Soviet of South Ossetian AO, as it violated the normative 10 of the article 115 of the Georgian SSR Constitution, declaring it as a result of direct and severe pressure from the side of representatives of the non-formal union *Ademon Nikhas*, condemning the local Soviet in severe violation of the various principles of the 40 Charter regarding the South Ossetian Autonomous Oblast, first and foremost not informing the

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<sup>64</sup>№ 106. Решение чрезвычайной XII сессии Совета народных депутатов Юго-Осетинской автономной области двадцатого созыва о повышении статуса Юго-Осетинской автономной области. Конфликты в Абхазии и Южной Осетии Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 178 [№ 106. The Decision of XII Urgent Session of the Twentieth Assembly of the Soviet of Popular Deputies of South-Ossetian Autonomous Oblast regarding the Upgrading of Status of South Ossetian Autonomous Oblast. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow): Rускаia Panorama, 2008, 178].

№ 107. Решение чрезвычайной XII сессии Совета народных депутатов Юго-Осетинской автономной области двадцатого созыва об изменении пункта 1 решения XI сессии Юго-Осетинского областного совета народных депутатов двадцатого созыва от 26 сентября 1989 г. "О государственной программе развития осетинского языка". Конфликты в Абхазии и Южной Осетии Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 178 [№ 107. The Decision of XII Urgent Session of the Twentieth Assembly of the Soviet of Popular Deputies of South-Ossetian Autonomous Oblast regarding changes in the I charter of the decision of the XI session of the Twentieth Assembly of the Soviet of Popular Deputies taken on September 26, 1989 regarding "The State Program of Development of Ossetian Language." *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Rускаia Panorama, 2008), 178].

Supreme Soviet of the Georgian SSR and other deputies of the assembly, thus not fully representing the will of the local population.<sup>65</sup> Nevertheless, the case was followed by further provocations, on September 20, 1990, the Regional Council of People's Deputies of South Ossetia proclaimed the establishment of the Soviet Democratic Republic of South Ossetia, which sought direct membership in the Soviet Union.

The first answer from the Supreme Soviet of the Georgian SSR in the form of the responsive decree came on September 21, 1990, assessing the decision taken on September 20, 1990 as an attempt to artificially change state-governmental order of the Georgian SSR, severely violating the Constitution of the Georgian SSR and the Constitution of the Soviet Union, admitting: "the decree stands as violation of the interests of all populations, residing on the territory of the Georgian SSR, among them Ossetians as well, being in service of purposeful provocations, exacerbating negative interethnic confrontations."<sup>66</sup> The abovementioned decree termed the decision of the South Ossetian local Soviet "On the Sovereignty and the Status of the South Ossetia" as void, without any judicial significance and demanded from the local Soviet of South Ossetian AO to obey with the norms and laws of the Georgian SSR Constitution.

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<sup>65</sup> № 3. Постановление Президиума Верховного Совета Грузинской ССР о решениях двенадцатой сессии Совета народных депутатов Юго-Осетинской Автономной Области двадцатого созыва. Конфликты в Абхазии и Южной Осетии Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 23-24 [№ 3. Decree of the Supreme Soviet of the Georgian SSR Regarding the Decisions of the Twentieth Assembly of the Twelve Session of the Soviet of Popular Deputies of South-Ossetian Autonomous Oblast. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Ruskaiia Panorama, 2008), 23-24].

<sup>66</sup> № 7. Постановление Президиума Верховного Совета Грузинской ССР о решении Совета народных депутатов Юго-Осетинской Автономной Области от 20 сентября 1990 г. Конфликты в Абхазии и Южной Осетии Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 28-29 [№ 7. Resolution of the Supreme Soviet of the Georgian SSR over the Decision of the Deputies of South-Ossetian AO taken on September 20, 1990. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Ruskaiia Panorama, 2008), 28-29].

If we look at the resolution of the Georgian SSR, the phrase *violation of the interests of all populations, residing on the territory of the Georgian SSR, among them Ossetians as well*, points to the fact that the government of the Georgian SSR did not intend to portray the developments as the conflict between the two ethnic groups; rather, it was clearly stressing the unity of all ethnic groups residing on the territory of the South Ossetian AO, at the same time the local polity *Ademon Nikhas* was clearly separated from the rest population and demarcated as the main instigator of the new line of processes and the unit to be targeted from the central government of Georgia.<sup>67</sup>

The so called *War of Laws* was over with the change of the government in Georgia, marking disappearance of the Georgian SSR. On December 11, 1990, after the communist rule in Georgia was ended by the election victory of Zviad Gamsakhurdia, the Supreme Council of Georgia, issuing the special decree, revoked the autonomous status of South Ossetia and later struggled to secure armed control over the rebellious territory, resulting in armed clashes between Georgian and South Ossetian communities.<sup>68</sup> The decree was blaming local separatist forces in purposeful actions against the Republic of Georgia, aimed at destruction of the governmental order of the state, stressing the rights of Ossetians in South Ossetia, supported by the future cultural autonomy in the framework of the Republic of Georgia. Thus, the South Ossetian Autonomous *Oblast*, with its governing local Soviet, was

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<sup>67</sup>Analyzing popular speeches of politicians and public actors of that period, representing the central government of Georgia, it is evident, they were too cautious in their comments over the developments and were clearly demarcating the strong line between the local population, both ethnic Georgian and Ossetian and particular elite groups, representing their will as if being the desire of the whole population of the region. At the same time, they clearly pointed to the external interest, represented through the Ossetian popular front *Ademon Nykhas*.

<sup>68</sup>Building Democracy in Georgia – Ethnic Conflicts and Breakaway Regions in Georgia. Discussion Paper #9, May, 2003, 9.

abolished and the two normative documents<sup>69</sup> regarding the South Ossetia Autonomous *Oblast* were declared as void and annulled.

The determination of the future status of the previous South Ossetian AO was not delayed for further decision and the last part of the document recommended to the Supreme Soviet of the Republic of Georgia to elaborate draft document determining the future administrative-territorial status of the previous South Ossetina AO.<sup>70</sup> Although such document was not prepared, as long as the war was at the door already and it successfully occupied the scene of inter-ethnic relations, thus the *War of Laws* was changed by the actual war on battle field, bringing dozens of deaths, thousands of displaced persons from both sides and millions of economic loss.

The two decrees issued by the Supreme Soviet of the South Ossetia in relation with transformation of the status of the region deserve particular interest. We are mostly interested in the titles of the documents and the sequence of their appearance. The first document was issued on September 20, 1990, entitled “Declaration about the State Sovereignty of South Ossetian Soviet Democratic Republic,”<sup>71</sup> later followed with another decree, endorsed on

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<sup>69</sup>Decree #2 of All Georgian Central Executive Committee and the Soviet of Commissars of Georgia endorsed on April 20, 1922 regarding “Creation of South-Ossetian Autonomous Oblast” and the Decree of the Georgian SSR endorsed on November 12, 1980 “About the South Ossetian Autonomous Oblast”. [№ 10. Закон Республики Грузия об упразднении Юго-Осетинской автономной области. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 31-33. *From the Document #10. The Decree of the Republic of Georgia over the Abolishment of the South Ossetian AO. Conflicts in Abkhazia and South Ossetia. Documents 1989-2006. Annex of the “Caucasian Collection”, Edition I. (Moscow: Ruskaia Panorama, 2008), 31-33.]*

<sup>70</sup>№ 10. Закон Республики Грузия об упразднении Юго-Осетинской автономной области. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 31 [№ 10. The Decree of the Republic of Georgia over the Abolishment of the South Ossetian AO. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006. Annex of the “Caucasian Collection”, Edition I. (Moscow: Ruskaia Panorama, 2008), 31].*

<sup>71</sup>№ 110. Декларация о государственном суверенитете Юго-Осетинской Советской Демократической республики. Конфликты в Абхазии и Южной Осетии. Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 181-185 [№ 110. Declaration of the State Sovereignty of South-

November 28, 1990, entitled: “Decision of the XVI Session of Deputies of South Ossetian Soviet Democratic Republic regarding the change of the title of the unit from South Ossetian Soviet Democratic Republic into South Ossetian Soviet Republic.”<sup>72</sup> We should point here the appearance and disappearance the word *democratic* in the titles of the documents, as long as both of these documents precede the dissolution of the USSR, which was officially declared in December, 1991, arguing that probably the first one was not in correspondence with the future fait and line of thinking of the center – Moscow, with whom South Ossetian policy showed signs of respect and desire to become affiliated directly as an union republic, and depicting democratic in the official administrative name of the future to be new member, will rise some misunderstanding and confrontations between the supporters of the old line and democratically minded author of *Perestroika*, still shaping be blatant contours of the Soviet Union’s successor entity.

The culmination of events came with the publication of the Declaration of Independence of the Republic of South Ossetia, issued on December 21, 1991, in city Tskhinvali. The decree condemned the Supreme Soviet of the Georgian SSR in exercising pressure over the Ossetian population, imposing political, economic and information blockade on the region. According to the document, the actions of the Georgian SSR were estimated as

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Ossetian Soviet Democratic Republic. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the “*Caucasian Collection*”, Edition I. (Moscow: Russkaia Panorama, 2008), 181-185].

<sup>72</sup>№ 117. Решение 16 (2) сессии Совета народных депутатов Юго-Осетинской Советской Демократической Республики о переименовании Юго-Осетинской Советской Демократической республики в Юго-Осетинскую Советскую Республику. Конфликты в Абхазии и Южной Осетии. Документы 1989-2006 гг. Приложение к “Кавказскому сборнику”. Выпуск 1. Изд-во “Русская панорама”, Москва, 2008, 189-190 [№ 117. Decision of 16 (2) Session of Soviet of the Deputies of South-Ossetian Soviet Democratic Republic about the change of the name of the unit from South-Ossetian Soviet Democratic Republic into South Ossetian Soviet Republic. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the “*Caucasian Collection*”, Edition I. (Moscow: Russkaia Panorama, 2008), 189-190].

the general terror against ethnic Ossetians, accompanied with medium sized warfare activities, thus declaring the independence of the Republic of South Ossetia.<sup>73</sup>

It is crucial to mention, the chain of processes and actions from both sides went beyond the legal framework. Nevertheless, while Ossetian polity is unilaterally condemned in violation of the supreme laws of that time, Gamsakhurdia is both – condemned, as well as justified, for his decision. Group of politicians supported and still support his decree over abolishment of the autonomous status of South Ossetian AO, as the possible sole answer to the acts of South Ossetian AO, supporting their positions on the two grounds: In line of the one argument, the autonomous status was the Soviet time creation, most of Ossetians lived beyond the polity and there was no need of granting any type of autonomous status, except of the cultural one, contributing to the maintenance of the small nation. While on the other hand, seeking for more legal grounding, they admit that the South Ossetian Autonomous structure unilaterally abolished existed status and raised it, not seeking agreement of the higher polity it was the part of – that is the Georgian SSR. Moreover, the order of subordination, neglected by the representatives of the South Ossetian autonomous polity, was strengthened by the USSR union constitution, being still in effect at the time when the South Ossetian AO was abolished.

What we have seen above, all processes, preceding the inter-ethnic confrontation, were mitigated from above, and mostly inspired by the Supreme Soviet of the South Ossetian AO, reserving no opportunity for the Supreme Soviet of the Georgian SSR besides taking counterweight measures, among them the abolition of the autonomous status of the region. Thus, these are to be considered as the first organizations of ethnic groups ended up to

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<sup>73</sup>№ 134. Декларация о независимости Республики Южная Осетия. Конфликты в Абхазии и Южной Осетиию Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 203-204. [№ 134. Declaration on the Independence of the Republic of South Ossetia. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Ruskaiia Panorama, 2008), 203-204].



be found in conflict. At the same time, it is worth mentioning, the decisions of the Supreme Soviet of Georgia, endorsed by its head Zviad Gamsakhurdia, were well thought out. The decree of the Supreme Soviet of the Republic of Georgia, issued on November 22, 1990, signed by the head of the Supreme Soviet of the Republic of Georgia Zviad Gamsakhurdia, can serve as indirect prove of the statement.<sup>74</sup> The decree, pointing to the activation of separatist forces in the region, condemned particular persons and organizations targeting sovereignty and unity of Georgia, and demarcated clear boundary between separatist minded organizations and population of the region, declaring the last as victims of the first. So, it could be argued, the policy of the Georgian SSR, later transforming as the government of the independent Republic of Georgia, fairly well differentiated between masses, that's ethnic Ossetian population of the region and various organizations of concrete elites, aspiring for confrontation. According to the decree, the decision regarding the change of title of the unit was challenging both – the sovereignty of Georgia and the future fait of the local inhabitants, and it particularly referred to the ethnic Ossetian population of the autonomous region, suggesting them for proper estimation of developments, as not to be transformed into mere puppets in the hands of separatists.

The analyses of abovementioned processes lead us to the following conclusion: confrontation between Georgians and South Ossetians was more the matter of contention between political elites and leaders of political organizations rather than confrontation between ethnic masses. Nevertheless, the two ethnic groups were successfully confronted

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<sup>74</sup>№ 9. Постановление Верховного Совета Республики Грузия о принятии Советом народных депутатов Юго-Осетинской автономной области решениях об изменении статуса области. Конфликты в Абхазии и Южной Осетии Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 30-31 [№ 9. Resolution of the Supreme Soviet of the Republic of Georgia Regarding Decision of the Popular Deputies of the South Ossetian AO about the Changes in the Status of the Oblast. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Ruskaia Panorama, 2008), 30-31].

with one-another via purposeful murders of ethnic Georgians without any pre-text.<sup>75</sup> We could suggest the sole aim of these particular provocative incidents was to draw the war line between Georgians and Ossetians, being successfully achieved within a short period of time.

Concluding, one crucial point should be mentioned regarding the *War of Laws* phase of the Georgian-South Ossetian confrontation, finally slipped into warfare activities and ended with the *de-facto* secession of the South Ossetian territory from Georgia. During the developments, the center, Moscow, did not show any sign, either positive or negative over the issue, at the same time being involved through continuous efforts to share part in regional affairs, obviously positive in the eye of international society, portraying its image as neutral actor and mediator between the confronted sides. The passive stance of Moscow towards the undertaken progress of actions meant the implicit consent over the chain of events in its second order unit, thus enabling us to suggest that Moscow could be termed as one of the interested parts in the developments, thinking of [South Ossetian AO] as a new polity allied with it, adding to exercise its new power politics in the would to be emerged independent state.

Russia appeared actively in the tense relations between the center and periphery in the Georgian SSR since March, 1991.<sup>76</sup> Looking closely at directions of Moscow issued at that

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<sup>75</sup>To put particular occasions will not add any value to the paper. Although particular incidents of murder on ethnic basis took place and victims were mostly ethnic Georgians, rather than Ossetians. The cases were filed for investigation, concrete persons were revealed, nevertheless, no case was taken to the logical conclusion and no one was sent for jail, but the purposeful damage of the memorial, dedicated to the memory of the victims of April 9, 1989 is worth to mention. The leader of political organization of that time Popular Front Nodar Natadze, being active participant of ongoing events, recalling similar occasions, admits that “such incidents, at a glance to be considered as everyday occurrence in the midst of extremely tense situation, later was transformed into deadly interethnic confrontation, leaving dozens of dead from both sides [Nodar Natadze. *What I Know – Facts and Analysis* (Tbilisi, 2002), 134, 138].

<sup>76</sup>We should note the official name of the Russia as the polity in the developments, was changed with the dissolution of the Soviet Union from RSFSR (Russian Soviet Federative Socialist Republic) into RF (Russian Federation).

period regarding Georgian-South Ossetian relations and analyzing agreements signed at that time with participation of Moscow, either with the government of the Georgian SSR and later with the Independent Republic of Georgia, or with the local South Ossetian polity, it is evident that at each stage Russia was trying its best to prepare ground to legitimate himself in the regional processes, using all possible resources available at hand – be it promoting the fair of spill-over effect of the South Ossetian regional developments on the North Ossetia, hence on the whole North Caucasus, thus negatively influencing on the strategically important and extremely vulnerable part of the Russian Federation; or the various attempts to use all existing international treaties in the field of minority rights to interfere on behalf of defending Ossetians, portraying itself to stand as a sole guarantying force of normalization of extremely tensed relations between the central government of Georgia and the peripheral South Ossetian polity.

The first agreement was signed between the representative of the Supreme Soviet of the RSFSR Boris Eltsin and the representative of the Supreme Soviet of the Republic of Georgia – Zviad Gamsakhurdia on March 23, 1991, in Kazbegi, Georgia. The meeting mainly discussed ways of regulation of extremely tensed situation in the region of the previous South-Ossetian AO through joined Georgian-Russian forces. For exercising the abovementioned agreement, decision on the creation of joint commission with the participation of the Ministry of Interior Affairs of the RSFSR and the Ministry of Interior Affairs of the Republic of Georgia was reached. The joined forces should be set up within 10 days to start the monitoring process of general situation in the region and deliver special document by April 20, 1991. On the other hand, the to be created joined forces were set responsibility for the creation of joined Militia formations till April 10, 1991, aimed at disarming all the local illegal military formations, acting on the territory of the former South Ossetian AO and ensuring stability and order on the whole territory of South Ossetia. The

maintenance of peace in the region was set as the prime target for the joined commission.<sup>77</sup>

We should stress, no of these charters of agreement was exercised in practice, while illegal semi-criminal units were continuously formed and equipped with Russia's support in the region, later successfully being involved in warfare activities with the heavy support of the North Caucasian *boeviks* and the Russian military formations.<sup>78</sup>

The RSFSR did not limit itself with the offering above described aid for the regulation and normalization of the extremely tensed relations between the central government of Georgia and the South Ossetian polity. Arguing this, an attempt of open and direct intervention could be easily grasped. The representative of the Supreme Soviet of the RSFSR Boris Eltsin, on March 31, 1991, signed the resolution of the special session of the national deputies of the RSFSR over the developments in South Ossetia,<sup>79</sup> directing to the Supreme Soviet of the Georgian SSR the re-institution of the South Ossetian AO, with its all related administrative and governmental organs. The second part of the text was more moderate, limited to suggestions of taking all necessary measures to stabilize socio-political situation in the region and achieve normalization of the interethnic relations.

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<sup>77</sup>№ 164. Протокол о встрече и переговорах Председателя Верховного Совета Российской Советской Федеративной Социалистической Республики и Председателя Верховного Совета Республики Грузия. Конфликты в Абхазии и Южной Осетии. Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 246. [№ 164. Protocol of the Meetings and Negotiations of the Representatives of the Supreme Soviet of the RSFSR and of the Supreme Soviet of the Republic of Georgia. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Ruskaia Panorama, 2008), 246].

<sup>78</sup>Although we could not refer to any reliable source to base the last statement, nevertheless, the fact was obvious, supported with monitoring of death tools on battlefield and assessing military capabilities and knowledge of the local Ossetian population.

<sup>79</sup>№ 165. Постановление съезда народных депутатов РСФСР о положении в Южной Осетии. Конфликты в Абхазии и Южной Осетии. Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 246-247. [№ 165. Resolution of the Meeting of the National Deputies of the RSFSR regarding the situation in South Ossetia. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Ruskaia Panorama, 2008), 246-247].

The abovementioned agreements could be seen as the first and successful attempt from the side of Russia to legitimize positions in the post-Soviet center-periphery relations in already independent Republic of Georgia. The first document served as the basis for the deployment of the Russian peacekeeping military forces under CIS mandate in the conflict zone after the end of hostilities, being seen as the sole mediator between parties and guarantee of the maintenance of the ceasefire, while the later resolution of the Supreme Soviet of RSFSR, could be estimated as an attempt of the open and rude interference in the internal affairs of the Georgian SSR.

In line with assessing the role of the Russian Federation in the conflicting developments, the role of the North Ossetia should be paid some attention. The political role of the North Ossetia in the conflicting developments in the South Ossetia was relatively passive until 2005, being activated with the statement of the self-declared president of the South Ossetia, declaring in Moscow that the independence of the South Ossetia will be recognized in 2007. The statement was commented by the leader of the North Ossetia – Alanya, Mamsurov, declaring the unification of the two Ossetia as the task of the nearest future, adding that the South Ossetia will end up with the membership in the Russian Federation.

On March 22-23, 2006 a joint cabinet session was held in Vladikavkaz by Russia's southern Republic of North Ossetia and Georgia's breakaway region of the South Ossetia. Talks officially focused on ways to boost economic integration between the two Ossetias. But remarks made by Ossetian, and, reportedly, Russian officials, have triggered speculation that the meeting may have gone as far as discussing redrawing the Russian-Georgian state border. Trade and economic issues officially topped the agenda of the joint cabinet meeting, discussing the possibility of building a Russian-funded highway linking Vladikavkaz and Tskhinvali, while by passing the ethnic Georgian villages of the breakaway region. Topics

also included the construction of the north-south gas pipeline, Moscow's participation in a planned Ossetian-language television channel and possible ways to upgrade South Ossetia's banking system, to provide local residents with their Russian-paid pensions electronically.<sup>80</sup>

Georgian experts, pointing the joint statement of the leaders of the two Ossetia, stressed that the Kokoity-Mamsurov's policy was blessed by the Russian Federation, blaming Moscow for blocking the peace process and inspiring the range of serious provocations in the region. The assessment of the situation was rightly put as long as it was followed by the comment of Genady Bukaev, the assistant of the Prime Minister of the Russian Federation Mikhail Fradkov, as confirming the possibility of unification of Ossetian lands on the both banks of the Caucasus Range, resulting in the creation of the joint republic Alania, stressed: "the name in itself will not be novelty for the international society".<sup>81</sup>

The new political role of the North Ossetia and the viability of the idea of unification of the two Ossetia were downplayed from the side of a portion of the Russian political circles. The quest of unification of the South Ossetia in the Russian Federation, sent to the State Court of the Russian Federation on June 12, 2004, by the member of the State Duma, Andrey Kokoshin, was neglected on the basis of the Constitutional Law of the Russian Federation, enacted on December 17, 2001 regarding "Affiliation and Creation of the New Political Subjects in the Russian Federation", as the international agreement should be signed between the countries, transferring and affiliating subject, hence subject itself being the passive object of negotiations.<sup>82</sup>

The line of analyses leads us to further look at the political role of the Russian Federation in the conflict over the Tskinali Region in some details, as long as various

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<sup>80</sup>Jean-Christophe, Peuch. *Ossetian Leaders Hint at Reunification Plans*. 25.03.06. *Independent Electronic Edition* [www.kvali.com/kvali/index.asp?obiectivi=shown36](http://www.kvali.com/kvali/index.asp?obiectivi=shown36) (accessed April, 2008)

<sup>81</sup>Newspaper *Rezonansi*, 24.03.06

<sup>82</sup>Newspaper *Rezonansi*, 24.03.06

statements of high rank Russian officials directly express Russia's concern and support towards the secessionist region.

The political and economic interests of Russia in Georgia are tightly intertwined, thus some hopes of politicians and experts that if Russia had bandwagon Georgia economically, it would have put political interests aside, turned out to be non rational and far from reality. As expert of the Caucasian Affairs Ramaz Sakvarelidze mentions, "Putin does not act in line with military politics; rather he more counts on economics and energy sector. Russia is interested in the conflict zones as long as they serve to be an affective tool to maintain control over Georgia. If it gains another means of control, for example through economic sector, he will leave old methods once and for all."<sup>83</sup>

The staged line of developments after the Rose Revolution do not correlate with the statement of Sakvarelidze and it more fits well with the line of reasoning of another group of experts, criticizing Saakashvili for miss assessment of the true aims of Russia and handing over economic sector of Georgia over Russia through opening doors to the Russian capital. Hence, one aspect of the course of Saakashvili in respect with the Georgian-Russian political relations failed, as it turned out that strategic political interests are not to be overcome with economic bargaining.

The direct links between economic and political axes in the Russia's policy towards Georgia is stressed by the Lithuanian political scientist Saulus Lebasukasis, mentioning that Russia is constantly in seek for political scores, proved by the war in Chechnya in 1994 by Boris Eltsin and in 1999 by Vladimir Putin. Thus, the war in the Caucasus could serve as a successful option, as long as first and foremost it will cover the failures in Chechnya and in

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<sup>83</sup>Newspaper *Axali Taoba*, 19.03.07

the North Caucasus in general, on the other hand prove that Georgia will never be a successful county while exercising its politics against the interests of Russia.<sup>84</sup>

The idea of Lebasukasis is not far from reality. As he further mentions, there will no be direct war between Georgia and Russia. Russia will wage war through the separatist regimes on Georgia's territory. The staged line of developments in the conflict zones and the statements of the Russian Federation that she will defend his citizens in the separatist regions, at the same time declarations that the Russian Federation will exercise effective methods to incorporate these two regions, and the already launched process of their affiliation in the Russian Federation, serves to be the indirect prove of the statement.

Moreover, Russian political scientist and the head of the "Baltic Club" Leonid Krabeshnik, stressed, "In the course of the last 15 years an independent elites were formed in the South Ossetia, Abkhazia and Transdnistria, fighting for the maintenance of the gained power, thus it will be hard task to make them deny the gained positions."<sup>85</sup> The statement points to the desire and policy of Russia, being strongly determined to further support the secessionist regions of Georgia and transform their status into affiliated members of the Russian Federation. The statement could be strengthened by the remark of the Head of Department of Caucasian Affairs at the CIS Country Institute Mikhail Aleksandrov, admitting, "South Ossetia will be united with the Russian Federation, while Abkhazia will gain the protectorate."<sup>86</sup>

A group of the Georgian and Russian analysts neglect the possibility of incorporation of the separatists regions in the Russian Federation, portraying more optimistic line of the

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<sup>84</sup>"The Georgian-Russian War Will Come". Newspaper *Delfi*, 21.VI.2007; See Russian translation: <http://www.inosmi.ru/translation/235094.html> (accessed April, 2008)

<sup>85</sup>"Self-Sustained Elites were Formed in South Ossetia, Abkhazia and Transdnistria". *Regnum News Agency*. <http://www.regnum.ru/news/862381.html> - Published 14:37 27.07.2007 (accessed April, 2008)

<sup>86</sup>Newspaper *24 Saati*, 12.10.06



future developments. Giorgi Kutsishvili, expert in the study of conflicting processes, admits, “Particular political groups in the Russian political establishment support the conflicts in Georgia, as the policy is in line of their concrete interests, be it political or economic” . . . “The staged developments of processes will be abandoned as soon as the new political elite will hold the office”, he hopes.<sup>87</sup> The idea could be strengthened by the statement of the Russian military expert Pavle Fengelgauer, stressing: “the Russia will not recognize the independence of the secessionist regions of Georgia, although she will not add to the solution of the problems, thus she will try to maintain the existing *status quo*.”<sup>88</sup>

The Russian experts are not united regarding the future developments of the Georgian-Russian relations. The Russian analyst Fiodor Lukianov considers the war though secessionist regions against Georgia in the South Caucasus to be non-profitable for Russia, as in such case Georgia will gain enormous material and financial resources from the West, on the other hand the developments will contain high fair of spill-over effect in the North Caucasus, with unpredictable consequences, pointing to more effective way for Russia to exercise its politics towards Georgia through the conflict zones, mostly expressed through defending secessionist regions from Georgia’s aggression, rather supporting them against Georgia.<sup>89</sup>

Summarizing, the analyses of Russia’s role in the conflicting developments between the central authorities of Georgia and breakaway regions, we should share with the opinion of the Professor Nikolay Mezevich, Director of the Center for the Trans-border Studies, St.Petersburgs University, admitting: “There are diametrical opinions regarding the role of the Russian Federation in the conflict zones – supporting and dismissing the role of Russia as a

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<sup>87</sup>“There is not need of further Triggering Perceived Threats in the Caucasus.” *Regnum News Agency*. <http://www.regnum.ru/news/862802.html> - Published 23:00 27.07.2007 (accessed April, 2008)

<sup>88</sup>Newspaper *Saqartvelos Respublika*, 2.02.08.

<sup>89</sup>Ibid.

mediator between the conflicting parties, although unfortunately the re-rapprochement of these positions is impossible”.<sup>90</sup>

We could assume that Russia’s position in the conflict zone is determined by the politics of maintenance of the zone of influence in the region on the one hand, and to play with the conflict zone through bargaining successfully on international arena, on another. The idea is mostly shared by experts, the current stance of the Russian Federation towards Georgia in general, and the conflict zones in particular, is more a matter of personal preferences and loyalties, hence to be abandoned easily with the change of the political establishment of the Russian Federation.

## **2. Economic Aspects**

The economic dimension of the post-Soviet confrontation between the central government of Georgia and the local authorities in the South Ossetian AO is the one that are mostly neglected field not only in the study of the post-Soviet local developments, but during analyzes of ethnic conflicts in general as well. In case of our investigation economic factors and reasoning looms heavily while looking at conflicting developments through the prism of rational choice theories and elite manipulation.

What we face at the current stage in case of confrontation in the Tskhinvali Region and what had heavily contributed to the escalation of the warfare activities, not only immediately after the dissolution of the Soviet Union, as well as in various cases of eruption of small scale guerilla attacks after the ceasefire, mostly is the problem of non-monitored Northern border of Georgia, which was not controlled either by the time the conflict was flamed, nor to be controlled at the current stage, thus turning the whole conflict zone as the

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<sup>90</sup>“Russia Could not Delimitate its Interests through State Border”. *Regnum News Agency*. <http://www.regnum.ru/news/862799.html> Published 27.07.07 (accessed April, 2008)

black market, where arms, drugs and illegal goods successfully float through in both directions, heavily influencing on regional political and economic developments. On the other hand, the so called Ergneti Market, on the de-facto border between the conflicting sides, created not long after the warfare activities ended, the major black hole in the region, pointed to the heavy economic interests in conflict, as long as the abolishment of the Ergneti Market by the new government of Georgia after the Rose Revolution 2003, was followed by the renewal of small scale warfare activities in the region.

The direct economic reasons leading to the Georgian-South Ossetian confrontation could not be analyzed separately from the post-conflict economic processes, as they are found to be tightly intertwined, determining the nature and significance of each-other. It should be mentioned, the economic potential and prospective of South Ossetia was not as immensely significant and viable as that of Abkhazia, but it should have been rationally calculated what economic prospects (mostly through black market activities) region could bring for both – either for conflicting sides, or external mediator(s), in case of transforming the region into a non-controlled black hole in the economy of Georgia.

The debates of the pre-conflicting period were extensively covered by the non-formal newspapers of various organizations involved in the process.<sup>91</sup> The ethno-national aspects are discussed widely in each article or resolution, while economic one is not mentioned at all, although economic loss and damage of the region was crucial and it was fairly well seen by both sides, negatively effecting on the local population, both ethnic Georgian and Ossetian. Masses were fairly well nurtured by national rhetoric, meanwhile elites waiting for the future *status quo*, bringing too much economic gains for them.

And the *status quo* came with the peace agreement. This was the time long waited for the local secessionist elites, gaining much economic profits from the Roki Tunnel, connecting

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<sup>91</sup>See: Newspaper *Qartlis Deda*, #5, 1989. Newspaper *Samachablo*, #1, 1990.

to Russia, left without control by the center. The new route of illegal trade with Russia was working successfully, bringing lots of goods in the region. The another angel of the economic aspect of the conflict should be stressed as well: as time passed, the great changes in the Ossetian elite took place – alongside with those of charged with nationalist rhetoric, significantly contributing to the escalation of the conflict and the maintenance of the *status quo*, the new criminal elements surfaced, easily finding common language and ways to collaborate with the already emerged the *de-facto* separatist government of the Tskhinvali Region, as long as they were actively supporting the Ossetian nationalist elite during the warfare stage.

The external agency, Russia, also significantly shared in the emergence of the new type economic relations in the region, first and foremost through imposed blockade on Georgia. As the blockade was not imposed on the separatist Tskhinvali Region, the local authorities gained much through exclusive trade with Russia. On the other hand, we should not imagine the post-warfare picture as if the relations between ethnic Georgians and Ossetians were totally ceased with the conflict phase. As we have mentioned above, the Georgian-Ossetian settlements are tightly intertwined with each other, hence the relations between two ethnic groups, first and foremost, economic, mostly between gangs, i.e. on criminal level, were immediately restored. The region was profiteering much from the exclusive trade with the rest of Georgia and Russia, bridging the two through the buffer conflict zone.

The figures analyzed and provided by different governmental and non-governmental organizations support our argument regarding high interests in the post-conflict situation in terms of prospective economic gains. In this respect, the illegal Ergneti Market had a huge significance. An estimated 450,000 tons worth, some \$130 million a year – dairy products (\$60.5 million), cigarettes (\$60 million), petrol (\$23.2 million) and kerosene (\$12 million)

also were smuggled through the conflict zone.<sup>92</sup> The market also facilitated the trade in stolen and illegal goods. Cars stolen in Georgia proper were frequently taken there. Heroin and opium were also said to be traded.<sup>93</sup> As a result, Georgia lost significant customs revenue due to smuggling; some calculated as much as 80 per cent.<sup>94</sup>

The central government of Georgia calculated the gains from the local illegal market in the conflict zone, at the same time set the approximate figure of the lose of the central budget. As it turned out, estimates of the value vary widely from GEL 5 to 20 million (USD 2.5 to USD 10 million) monthly.<sup>95</sup>

The significance of Ergnety Market in the shadow economy of the conflict zone was investigated by the research team at Transnational Crime and Corruption Center (TRACCC), Caucasus Office, Tbilisi, Georgia.<sup>96</sup> First and foremost, the results of investigation clearly point to high economic interests from both sides in the maintenance of existing situation, continuously extracting great amount of money via black market. Experts from the TRACCC admit that in 2003 contraband trade became a very serious problem in Georgia, reaching its pick. It has stimulated corruption, has created powerful criminal clans, and has promoted the collaboration between the criminal world and political groups, incorporating central, regional and local authorities, and the law enforcement structures of the country. On the other hand, according to experts' opinions, the problem of contraband trade through Abkhazia and the Tskhinvali Region is especially important because it is closely connected to the problem of separatism, unresolved armed conflicts, violence in these regions, and the transparency of

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<sup>92</sup>Mamuka Areshidze. *Current Economic Causes of Conflict in Georgia* (Unpublished Report for UK Department for International Development (DFID), 2002), 51.

<sup>93</sup>*Ibid.*, 52

<sup>94</sup>*Ibid.*, 53

<sup>95</sup>Georgi Godabrekidze. *Annual Report*. Chairman of the Customs Department, Georgian Finance Ministry, (Tbilisi: Caucasus Press, 2004).

<sup>96</sup>We should mention, research was carried out till 2004, thus figures could not be mostly adequately reflecting contemporary situation in the conflict zone after the Rose Revolution's government's huge blow on shadow economy and illegal trade activities in the conflict zone.

borders. Unresolved conflicts provide fertile ground for the local clans to retain power by means of limiting democracy and using ideologies of militarism and/or revenge to keep the local population in permanent fear of war.<sup>97</sup>

Head of the Georgian branch of the Transnational Crime and Corruption Center at American University Alexandre Kukhianidze, closely monitoring the economic processes in the conflict zones of Georgia, regarding the Tskinali Region admits: “All sides had deep interests in the region, hence interests to maintain the tense situation. The primary interest of the de-facto government of Kokoity in the region was smuggling, bringing too much economic benefits, hence enabling him to support his own military formations, contributing to the maintenance of his separatist regime.”<sup>98</sup> According to Kukhianidze, till 2004 there were highly organized business in the region, with participation of Ossetians, Georgians, Russians and even Abkhazians, nevertheless, the leading forces in smuggling were Georgian and Ossetian criminal gangs. The extracted resources out of illegal economic activities were targeted for purchasing weapons, although Russia already provided military support to the secessionist regime.

The statement that the economic prospective of separation of the South Ossetia from Georgia mostly run through the North Ossetia could be strengthened by referring to the plan of economic rehabilitation of the region, offered by the de-facto president of the self-proclaimed Republic of South Ossetia, Eduard Kokoity, voiced as an alternative one of Tbilisi’s project. The two projects are totally different as long as the one, offered by the central authorities of Georgia, targets at building joint economic-business links between Ossetians and Georgians, hence grounding mutual, ethnically mixed, economic interests in the

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<sup>97</sup>Roman Gotsiridze, Alexander, Kukhianidze, Alexander, Kupatadze. *Smuggling through Abkhazia and Tskinali Region of Georgia*. (Tbilisi, 2004), 75-77. Transnational Crime and Corruption Center (TraCCC), Georgia Office. [www.traccc.cdn.ge](http://www.traccc.cdn.ge) (accessed April, 2008).

<sup>98</sup>Interview with Alexandre Kukhianidze, head of the Georgian branch of the Transnational Crime and Corruption Center at American University. Held in Tbilisi, April, 2008.

region, while the economic plan of Kokoity seeks for more close economic ties with the northern counterparts, aimed at the final integration within the Russian Federation. In this respect, according to the plan, the free trade zone should be created in the region incorporating the Tskinali area and some portion of the North Ossetia – Alanya.

The crucial role of the North Ossetia could be played through bringing energetic-economic independence of the South Ossetia from Georgia. In this respect the 93 kilometers long Alagir-Tskinali pipeline, delivering gas to Tskinali directly from the North Caucasus, will play a crucial role.<sup>99</sup> Nowadays, Tskinali is supported via internal gas pipeline infrastructure of Georgia. Another project targets at the construction of the new land route directly connecting city Tskinali and Vladikavkaz, as in such case the Georgian villages, not controlled by the separatists, will be left aside. As experts admit, the new route will decline the significance of Transcaucasian Highway for the separatist regime and lead to the isolation of the Georgian villages of the Didi Liakvi George.<sup>100</sup>

The prospectives of the possible integration of the two Ossetias were downplayed and criticised by the State Minister for Conflict Regulation Davit Baqradze, commenting: "The statement from the side of the Foreign Minister of the Russian Federation is totally unacceptable and surprising, as it will serve for worsening situation between the two countries. There could be cultural contacts, but the ignorance of the state border is the violation of all international norms".<sup>101</sup>

Considering total dismantle of economic infrastructure in the region, the Russia's financial spending on the maintenance of economically weak area should be immensely huge, as in case of absence of the Russia's financial support the separatist regime would not have

<sup>99</sup>Newspaper *Saqartvelos Respublika*, 01.12.06

<sup>100</sup>Newspaper *Saqartvelos Respublika*, 16.04.08

<sup>101</sup>"The Statement of Lavrov Points to the non-adequate Politics of Russia towards the South Ossetia". Regnum News Agency. <http://www.regnum.ru/news/870794.html> Published 11:23 15.08.2007 (accessed April, 2008)

managed to survive. An independent expert Shalva Tadumadze declares that Russia spends some 10 Million USD on military maintenance of the separatist regime in Tskinali, further adding that the military budget of the region is totally dependent on the Russian Federation. As he mentions: “USD 10-20 Million per year is the money Russia could afford in order to provoke and maintain problems in the South Caucasus.”<sup>102</sup>

Although it is hard to check the reliability of the proposed figures, we could argue them to be more or less real as long as the Tskinali Region runs without economic backbone. As experts admit, before the conflict 20 factories were working in the region, nowadays most of them are outdated and stopped. In 2000 GNP of the region was defined as 333 thousand USD. Nowadays, only wood combinat and mineral water producing factory works more or less effectively. It should be stressed, the share of produced mineral waters in the whole economy is more than 60 per cent.<sup>103</sup>

The de-facto president of the breakaway region hopes for revitalization of the resort Kvaisha and the creation of the free trade zone in the region. As Georgian experts admit, the resort has crucial significance, although after the hot phase of the conflict its surrounding infrastructure is deserted and only in case of a serious financial and human resource investment Kokoity could hope for its recovery. As experts stress, Kokoity first and foremost hopes for Russia’s support in this direction.<sup>104</sup>

The de-facto leader of the region not only strives for economic strengthening of the region, but seeks for the exercising influence over the Georgian population of the conflict zone through economic promises, made in the name of the Russian Federation. As he declares, “The Ossetian side will support Georgian villages of the region with the cheap electricity, prices as Ruble 1.20 instead of the current 2.40 will be set. The price of bread will

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<sup>102</sup>Newspaper *Rezonansi*, 17.11.06

<sup>103</sup>Newspaper *Axali Versia*, 10-11.08.05

<sup>104</sup>Newspaper *Rezonansi*, 16.11.07



decline as well significantly and will fall from the current price Rouble 20 down to Rouble 8-12.”<sup>105</sup>

We should stress, there could not be separated pre-conflicting economic motivations leading to the conflict, as at this stage we could mostly speak about rational economic calculations, serving as a fruitful pretext to play on ethnicity and wage ethnically blurred conflict in hope to get immensely huge economic profit in the resulted turmoil. The proposed figures highlight in its best the validity of the statement that conflicting choice of the future relations was fairly strongly supported by the rationally calculated economic aspect of the upcoming developments. As for the North Ossetia, it adds separatists politically and economically, although we should once again mention, the policy of the North Ossetia is in line with the policy of Moscow, serving as a tool to exercise Moscow’s policy in the region.

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<sup>105</sup>Newspaper *Saqartvelos Respublika*, 16.04.08

### Chapter III. Controversies of Integration Stance

The analyses of the integrative elements in the Georgian-South Ossetian relations in the Tskhinvali Region could be divided into the two main parts: the very first steps were taken in this direction immediately, as soon as the negotiation process started, through various agreements signed between conflicting parties and mediators. These documents look after political and economic regulation of the conflicting situation and set strong principles and responsibilities of conflicting parties for political and economic rehabilitation of the region.<sup>106</sup>

Considering the fact of years long unsuccessful attempts to find the ways of reconciliation, the change of the political elite in the central government of Georgia as a result of the Rose Revolution 2003 marked the huge reversal in existing attitude towards the frozen conflicts in general and non-loyal local elements in particular. As soon as the semi-criminal local administration was dismantled in Adjara region and the very first success of the Rose Revolution in terms of changing unreliable elements with the loyal one was staged, the central government of Georgia opted to play the same card in the Tskhinvali Region, mostly through offering quick package of economic aid to the local inhabitants, although without any success. After the first failure in this direction, accompanied with the renewal of small scale military activities in the conflict zone, the central government of Georgia changed its tactics, resulted in the creation of the Provisional Administration of the Former South Ossetian AO on the Georgian controlled portion of the conflict zone, headed by Dimitri Sanakoev,<sup>107</sup> through

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<sup>106</sup>This was characteristic of the period of Shevardnadze's rule in Georgia. The approach of the central government of Georgia towards the conflict in South Ossetia could be characterized as passive, mostly reconciling stance towards the established *status quo* in the region. This is the period when we could talk about the established relations between the local gangs and various criminal groupings, both – ethnic Georgians and Ossetians, gaining too much from the shadow economy of the conflict zone.

<sup>107</sup>Dimitri Sanakoev, 37, former defense minister and later prime minister of breakaway South Ossetia for several months in 2001, when the region was run by de facto President Lyudvig Chibirov. Sanakoev left for Russia after Eduard Kokoity took over power in the breakaway region after the November 2001 presidential elections.

which various political and economic packages are voiced on local, as well as on international arena.

The introducing of the new conflict resolution plan was accompanied by the crush at the duality Georgian-South Ossetian conflict, as the way to denote the conflict. The President of Georgia Mikheil Saakashvili at his annual state of the nation address to the Parliament on March 15, 2007, declared: the terms and duality “Georgian-Abkhazian conflict” and “Georgian-South Ossetian conflict” were “created by silly and unaware people”. Denouncing the existence of so called “sides” in the conflict, Saakashvili termed these concepts as the fabrication of imperial ideologies.<sup>108</sup> On the other hand, he declared the decision of abolishing South Ossetian AO in early 90’s as a great mistake from the legislative point of view.<sup>109</sup>

The new approach should be considered as the crucial turnover as long as it denied the ethnic concepts of describing existing conflicts; on the other hand it clearly demarcated between ethnic groups and elites, declaring the last as the main actors of the process. Hence, the future approach from the side of the central government of Georgia towards the conflict in the Tskhinvali Region was contoured.

The assessments of the new tactics of the central government of Georgia towards the Tskhinvali problem from the side of the local, as well as international think-tanks, could be regarded mostly as shared, declaring the decision as a successful attempt to show in the eye of the international society that the conflict zone is not clearly divided along ethnic lines and as South Ossetians are represented through different fractions of elites, the new re-considerations of the seemingly frozen conflict is already at stake. Although, the new reality was differently recalled from the parts involved in the negotiation process, both, be internal or external

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<sup>108</sup>“Saakashvili Rejects Terms “Georgian-Abkhaz” and “Georgian-Ossetian” Conflicts”. Online Magazine *Civil Georgia*, 15.03.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

<sup>109</sup>“Saakashvili Discusses “South Ossetia Administration” with Opposition”. Online Magazine *Civil Georgia*, 29.03.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

agencies – being neglected from the local de-facto authorities and the Russian Federation, while widely welcomed by the central government of Georgia and internationally voiced by the European Council and the European Parliament, welcoming the speech of the head of the provisional administration Dimitry Sanakoev.

The central government of Georgia should be more cautious while transplanting its loyal elements in the region and providing them with autonomous units and rights. As elite loyalties are fluctuating across time and space, the new units should be regulated by such tools and normative, as to make the repetition of the existing situation almost impossible. Through pursuing the line of developments, we could suggest that the central government of Georgia seriously thinks over the issue and in case of the success of the project, at a glance, the past could not be repeated.

Alongside with external actors, the Rose Revolution government's project is not widely welcomed in Georgia's political establishment, being severely criticized by the opposition specter in line with the two directions: targeting the chosen political and economic methods and downplaying the assessment of the true role of international actors in the regional developments, that of Russia and the United States first and foremost, hence the political backbone of the conflict resolution politics in general. Although criticism from the side of opposition, and political and economic experts, is easily downplayed from the authorities of Georgia, mostly accusing their opponents in the pro-Russian orientation, being successful tactics as long as sometimes the position of the opposition correlates with that of the Russian political specter.

Russia's involvement with the high interests in any resolution plan of the conflict, both, in terms of politics and economics, is obvious, being determined due to the top geopolitical significance of the Caucasus in general, and Georgia in particular, the area once its metropolis, nowadays being heavily competed from the West and the US. Russia is highly

interested in the conflict zones of Georgia, being effective tool to stay actively involved in the regional process, both politically and economically. Hence, Russia can crush the success of any peaceful political project, offered from the side of Georgia's central authorities, not corresponding to her interests.

The subsequent part of the paper will follow the route of emergence and establishment of the Provisional Administration of the Former South Ossetian AO, analyzing political and economic prospective and controversies of the Georgia's central government's integration project for the Tskinali Region. In line of proposed analyses, the role of Russia will also be deconstructed; as experts mention there do not exists sole unified position of the Russian Federation towards the conflict and it is more a matter of change and maintenance of political-economic preferences of particular elite groups.

### **1. Political Aspects**

The signs and desire for political integration from the side of the South Ossetian polity, either implicit or explicit, was not shown throughout years long negotiation process until the emergence of another representative institution of the ethnic Ossetian population – the Provisional Administration of the Former South Ossetian AO on May 8, 2007, when the Parliament of Georgia passed a resolution by 149 to 4 votes to set up a Provisional Administration of the Former South Ossetian AO, followed by the appointment of Tbilisi-loyal alternative South Ossetians' leader, Dimitri Sanakoev, as its head.<sup>110</sup>

Being immediately followed with plenty of comments from the local political circles, as well as from the side of international society, one fact is obvious: the emergence of the unit

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<sup>110</sup>“Parliament Sets Up South Ossetia Provisional Administration”. Online Magazine *Civil Georgia*, 08.05.2007 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

of Dimitri Sanakoev created the new reality, which could not have been denounced by any player in the process.

The turn in the regional developments was preceded by the emergence of the new South Ossetian movement “People of South Ossetia for Peace”, headed by Vladimir Sanakoev, successfully established itself on the Georgian controlled territory of the breakaway South Ossetia. As on March 26, 2007 President of Georgia Milkheil Saakashvili proposed to set up “a temporary administrative unit” in the area, the fact that the new movement was widely supported by the central government of Georgia became obvious, by most of political experts and analysts explained as an attempt to introduce a mechanism in the Tskinali Region which would enable Tbilisi to administer the region through the local leader.

In the autumn 2006, the local legitimization of the new entity took place as the self-proclaimed presidential elections of the *de-facto* South Ossetian Republic were followed with an alternative poll conducted on the Georgian controlled territory of the former South Ossetian Autonomous *Oblast*. As a result, a new actor judicially emerged in the conflict zone: Dimitry Sanakoev’s government, declaring that it would seek to settle the issue of South Ossetia’s status without violating Georgia’s territorial integrity.<sup>111</sup>

The main aims and targets of the new structure, the future framework of relations between the central government of Georgia and Tskhinvali based authorities, were determined through the “Draft Law on Creating Appropriate Conditions for Peaceful Resolution of Conflict in Former Autonomous District of South Ossetia”, and introduced to the Parliament of Georgia for approval on April 2, 2007. The list of the main normative stands as follows:

- Execute authority in the framework of the rights granted by the president;

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<sup>111</sup>Caucasus Institute for Peace, Democracy and Development. Policy Brief. #2, 19.04.2007. [www.cipdd.org](http://www.cipdd.org) (accessed April, 2008).

- Carry out negotiations on defining the autonomous status of the region;
- Cooperate in the framework of its own competences with Georgian state structures and international organizations to implement relevant measures for the peaceful resolution of the conflict;
- Develop relevant plans and projects on peaceful resolution of the conflict and to secure involvement of the local population in this process;
- Promote implementation of necessary measures to speed up peace talks;
- Promote confidence building measures;
- Coordinate implementation of humanitarian projects;
- Promote infrastructure rehabilitation;
- Implement other actions specified by the president in the future.<sup>112</sup>

The president of Georgia Mikheil Saakashvili extensively commented at the special session of the National Security Council on May 7, 2007, on the creation of the new unit in the conflict zone and on attempts of its transformation into the new actor in negotiations: “The Provisional Administration of the Former South Ossetian AO is the structure for a transitional period, which aims at the establishment of a fully fledged autonomous entity and final resolution of the conflict.”<sup>113</sup> It is crucial to mention, the new law provided president of Georgia with right to define the border of the future territory under the control of the new agency, at the same time living some functions, like finances and the collection of tax, for the future negotiations between the central authorities and the Provisional Administration.

The political assessment of the new line of thinking and prospective in the conflict zone was drastically different among that of Russia and other international actors involved in

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<sup>112</sup>“Initial Draft on South Ossetia Administration Unveiled”. Online Magazine *Civil Georgia*, 02.04.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

<sup>113</sup>“South Ossetian Alternative Leader to Address Georgian Parliament”. Online Magazine *Civil Georgia*, 07.05.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

the processes. South Ossetian secessionist authorities in Tskhinvali and the Russian side were joint in their spirit, denouncing Sanakoev's structure as Tbilisi's "puppet government." Negatively responding, the Foreign Ministry of the Russian Federation termed the Provisional Administration as *very dangerous provocation*, since no one could hope for long term potential of this diarchy in the republic, leaving negotiating sides with an additional "irritant factor",<sup>114</sup> as it will "shatter an already fragile situation" in the South Ossetian conflict zone.<sup>115</sup> On March 29, 2007, in a special statement, the Foreign Ministry of the Russian Federation stressed: "There are only two "internationally recognized" parties in the negotiation process and the new initiative will result not in the dialogue, but in the monologue wherein the Georgian side is merely talking to itself";<sup>116</sup> hence, excluding the possibility of acknowledging of the new body in the conflict regulation process from Russia's side. In line with the statement, the de-facto president of the secessionist region termed the initiative as a provocative activity, aimed to distract attention of the Georgian people and the international community from domestic political upheavals of Georgia. Downplaying the Provisional Administration as an unfruitful attempt from the side of Georgia to reintegrate South Ossetia in its framework, he stressed: "South Ossetia was not part of Georgia when the Soviet Union disintegrated and would join Georgia under no conditions."<sup>117</sup>

The same spirit was expressed earlier, immediately as soon as the Provisional Administration was established. The independent youth organization of the Republic of South Ossetia "*My Sami*" defending the positions of the *de-facto* government, stressed the need to

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<sup>114</sup>"Russia Lashes Out at "Alternative" Authorities in Abkhazia, South Ossetia". Online Magazine *Civil Georgia*, 15.03.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

<sup>115</sup>"Policy Brief Analyzes of Tbilisi's South Ossetian Tactics". Online Magazine *Civil Georgia*, 21.04.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

<sup>116</sup>"Russia Warns Against Tbilisi's South Ossetia Administration Plan". Online Magazine *Civil Georgia*, 29.03.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008).

<sup>117</sup>"South Ossetia was not part of Georgia, when the Soviet Union disintegrated and would join Georgia under no conditions". Regnum News Agency. 29.10.07. [www.regnum.ru](http://www.regnum.ru) (accessed April, 2008).



draw attention from the side of political leaders and heads of international organizations to the fact that the Republic of South Ossetia was founded in fully conformity to the norms of the international law, at the same time being in compliance with the effective to the moment *Law of the USSR On Exit of a Union Republic* from the Body of USSR, based on the referenda of March 17, 1991 and January 19, 1992,<sup>118</sup> i.e. the result of purposeful manipulation of history and brainwashing of population was already revealed.

Commenting the emergence of the Provisional Administration in the Tskinali Region and its different reflections, the State Minister for Reintegration of Georgia Temur Iakobashvili stressed: “Sanakoev is a realized fact in the region, expressed and grounded successfully through his projects exercised in Kurta. As for Russia’s stance and declarations of its non-legitimacy and impossibility of its acknowledgment, this could be termed as non-constructive approach to the new reality and in the course of time everyone will be accustomed to it”.<sup>119</sup>

The emergence of the new polity in the region is perceived similarly, as that of the central government of Georgia, by another group of local Ossetians, headed by Vladimir Sanakoev. He serves to be the founder and head of the national movement – “South Ossetian People for Peace”, perceiving itself to be the main political ground of those Ossetians, having different opinion as from the de-facto government and the main body capable to organize popular support to the Provisional Administration of the Former South Ossetian AO. In his interview, briefly summarizing the main aims and goals of his movement, as well as its relations with the administration of Dimitry Sanakoev, Vladimir Sanakoev declared: “The movement does not affiliate itself with any political party and organization and is open for

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<sup>118</sup>“Youth movements of unrecognized republics claim solidarity, international recognition of South Ossetia”. Regnum News Agency. 07.29.06 [www.regnum.ru](http://www.regnum.ru) (accessed April, 2008)

<sup>119</sup>Interview with Temur Iakobashvili, State Minister for Reintegration of Georgia. Held in Tbilisi, April, 2008.

collaboration with any of them, in case of common interests. Not interfering or sharing in the activities and responsibilities of the executive government, my organization has its own opinion regarding various issues, with its own program, being concentrated on various crucial political issues. As for Dimitry Sanakoev's structure, it is executive body, with all its accompanied tasks, duties and responsibilities"<sup>120</sup>.

Considering the 17 years long confrontation as ethnically blurred rivalry on political basis, the building trust serves to be the primary task for the movement. The main handicap for rapprochement of these two ethnic groups is the politics of separatism, headed by Kokoity and directed by Russia. As people are divided on an ethnic basis through political reasoning, mass population should become aware of the fact that there is no other choice, except living side by side with Georgians in the framework of Georgian state. Reconciliation should be based on mutual concessions (in respect with autonomy and territorial integrity respectively) while building the future relations on the basis of international norms that do not divide Human Rights on an ethnic basis. At the same time, the ideological work among these two ethnic groups will make bridges between them, i.e. will lead to rapprochement of different political positions. "The main problems stem from political realm and we should find ways to effectively deal with them through mutual concession and negotiations",<sup>121</sup> Sanakoev concluded.

The general mode and spirit of Sanakoev is pro-Osseian, and in broader perspective, pro-Georgian as well. This is the case of elite loyalty from one ethnic group towards another. Embracing the new reality, the fact that elites are not free floating units and their rhetoric is quite fluctuating should be kept in mind, while looking various ways to hold the situation under long term control.

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<sup>120</sup>Interview with Vladimir Sanakoyev, Head of the Movement *People of South Ossetia for Peace*. Held in Tbilisi, April, 2008

<sup>121</sup>Ibid.

Vladimir Sanakoev hopes to provide support to Dimitry Sanakoev's Provisional Administration, conducting crucial tasks in terms of improvement of economic and social life in the region. "The conducted economic projects bring us to the social rehabilitation of the Tskinali Region. This is in full correspondence of our main aim – bringing those people to the better life and making them attracted to the Provisional Administration, planting seeds of hope in their hearts and if it is achieved, we could hope the popular movement "People of South Ossetia for Peace" stand on a right path", Vladimir Sanakoev concluded.

The name of the region is not considered as a crucial topic for Sanakoev's movement, as all ethnic groups residing on the territory of Georgia should have their own rights, being in correspondence with state interests of Georgia and the whole society of Georgia. "In such case, peaceful coexistence will be made possible, in other way we are left face to face with a war, where Russia serves to be facilitator of separatism, rather than peace builder", Sanakoev stressed. Considering autonomy as the sole solution of the problem and negatively evaluating the duality of the term *South Ossetia*, Sanakoev points to the necessity of demarcating the three autonomous units within the territorial-administration of Georgia: Adjara, Abkhazia and Ossetia.<sup>122</sup>

Sanakoev's proposition could be mostly in correspondence with the general line of approach towards the conflict zone and conflict resolution from the side of the central authorities of Georgia, as Tbilisi is ready to grant the highest possible level of autonomy to the region. The both bodies share one crucial aspect: while settling the conflict in the Tskinali Region, the norms and principles of self-determination of ethnic groups/minority and the *Uti Possidetis* should be in correspondence with one another, in other case, no solution will be grounded.

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<sup>122</sup>Interview with Vladimir Sanakoev, Head of the Movement *People of South Ossetia for Peace*. Held in Tbilisi, April, 2008.

Caucasus Institute for Peace, Democracy and Development, closely monitoring the process of emergence of a new polity in the conflict, in line with the opportunities, pointed to the serious threats also, stemming from the project, containing seeds of escalating tensions. Experts from the think-tank evaluate the appearance of joint Georgian-Ossetian unit as a positive aspect, eliminating, or at least weakening, the ethnic dimension of the conflict, on the level of law-enforcement structures first and foremost: if Sanakoev's government include ethnic Ossetian personnel, Kokoyty's paramilitary forces may be reluctant to attack them and the level of violence will drop in the conflict zone as a result.<sup>123</sup> Although stressing that exclusively Tbilisi supported nature of the plan provides opponents with the opportunity to denounce it as a solely Georgian one, not expressing the will of a considerable portion of the local population. Additional negative side affect could be international implication of the new peace project: as international governmental and non-governmental organizations involved in the conflict resolution process, while neglecting the initiative as an attempt to base puppet government in South Ossetia, in reality are wary of tensions with Russia, hence the prospective of international cooperation with Sanakoev's unit should be scrutinized in some details.<sup>124</sup>

Archil Gegeshidze, Senior Research Fellow at the Georgian Foundation for Strategic and International Studies (GFSIS), working extensively on assessing political and economic risks, related to the establishment of the Provisional Administration of the Former South Ossetian AO admits: the major political risk invested in the project stems from its possible failure in terms of gaining popular support and sympathy from the local population. The main

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<sup>123</sup>The president's new initiative for South Ossetia: what will it bring about for Georgia in the future? CIPDD policy brief #2 - April, 2007. Prepared by David Darchiashvili. Caucasus Institute for Peace, Democracy and Development. [http://www.cipdd.org/index.php?lang\\_id=ENG&sec\\_id=44&info\\_id=146](http://www.cipdd.org/index.php?lang_id=ENG&sec_id=44&info_id=146) (accessed April, 2008)

<sup>124</sup>Ibid.

motivation of establishing Sanakoev's unit is the formation of all accepted idea among Ossetians regarding possibility of living side by side with Georgians in unified Georgian state. Gaining sympathy should serve as a basis for the formation of the political loyalties towards the new structure in the conflict, if it fails, the whole project will fall short.<sup>125</sup>

As the success of any sort of national movement, i.e. particular political project of any ethnic group, depends more on gaining both external and internal loyalties, we should share with Gegeshidze's opinion, stressing: "the success of Sanakoev's project is not dependent only on gaining the sympathies and support of the local population, rather it is more determined whether the new administration will manage to gain official legitimization on international level as one of the alternative parts of the conflict"<sup>126</sup>, pointing to the necessity from the side of international society, be it EU or OSCE, to show even a small interest and political support to this unit. Gegeshidze does not considers the current attempts in this direction, participation of Sanakoev in various international conferences and delivering speeches in European Council, accompanied visits with the President of Georgia in various countries and high official meetings, to be enough for the success of the new polity.

Grounding Sanakoev's Provisional Administration was a crucial novelty, leading to the loss of Russia's initiative in the processes and bringing significant changes in the existing situation, although Russia's participation in the processes and the acknowledgment of Sanakoev's unit from his side serves to be the top concern, as long as Russia has significant destructive element in the region and he could play negatively on the future of the Provisional Administration. The failure of the Sanakoev's project will be a serious breakdown of Georgia, as in such case it will have to stay in a passive stance for a long period of time. Once losing

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<sup>125</sup>Interview with Archil Gegeshidze, Senior Research Fellow at the Georgian Foundation for Strategic and International Studies (GFSIS). Held in Tbilisi, April, 2008.

<sup>126</sup>Interview with Archil Gegeshidze, Senior Research Fellow at the Georgian Foundation for Strategic and International Studies (GFSIS). Held in Tbilisi, April, 2008.

initiative, the central government of Georgia will have to act in accordance with the directives of another side, or sides, restricting its role only to the reactive actions to the activities of other players. Exactly this serves to be the main political risk accompanied with the Provisional Administration of the Former South Ossetian AO.<sup>127</sup>

Along with political repercussions, the failure of the new project will have negative psychological back clash, revealed through the total disappointment of the local population, loosing believe in the central government in terms of awaiting a kind of success, thus putting another side of the conflict in a favorable position psychologically. In its turn, another side will start continuously to stress the failure of the central government of Georgia in the eye of the local population, be it ethnic Georgian or Ossetian. The newly created psychological atmosphere could serve as a basis for grounding new agenda of conflict resolution from another side, based on their own interests. Thus, through successful manipulation with the existing psychological mood apathy of the local population will be caused.

Looking at the above analyzes, the appearance of the new polity in the region put the long existing power axis at stake, as long as previously offered division between ethnic groups was no longer viable, meanwhile the interests of some powerful local, as well as external agencies, became more obvious. As the two national-political projects of South Ossetians, being mutually exclusive, are staged, both of them ought to be considered during elaboration of the new solution framework. The need for the new framework, as time passed, became even more urgent and necessary, especially under conditions of the years long constant failure of the previous one.

The proposition of the new peace plan coincided with the visit of U.S. Deputy Assistant Secretary of State, Matthew Bryza, commenting: "Tbilisi's recent policy *vis-a-vis* conflict resolution issues is in-line with U.S. government recommendations", assessing the

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<sup>127</sup>Ibid,

new approach as the “very constructive and very affective approach in the last couple of months.”<sup>128</sup>

The existing political relations between the central authorities of Georgian and the secessionist regime in the Tskinali Region quite often is characterized as the balance politics between war and peace. It is drastically different from the one used to exist during Shevardnadze’s era, nevertheless, the transformation of the general mood resulted in activation and radicalization of all forces involved in the process, hence bringing radicalization of the general situation as well.

The new reality is differently reflected by political experts and analysts. Some of them see it as a new opportunity as long as the inactive phase was changed with activities and according to them it is hard to judge which stance is better – Shevardnadze’s passive politics or Saakashvili’s active one. Although they jointly stress one crucial aspect: as a result of the new power politics the negotiations are ceased on each level and Russia openly exercises its aggressive politics towards Georgia. To overcome the existing mode and the conflicting situation in general, first and foremost “attractive environment should be created in the rest of Georgia, both economically and politically, serving as the basis for making secessionists to look for the place back in the Georgian state.”<sup>129</sup>

The State Minister for Reintegration of Georgia Temur Iakobashvili declares that in terms of political resolution of the conflict the peaceful methods have the top priority for the government of Georgia. In this respect several crucial aspects are taken seriously into consideration: In the Tskinali Region there do exist already several subjects: pro-Georgian polity, uniting some Georgian and Ossetian villages of the region, headed by Dimitri

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<sup>128</sup>“U.S. Backs Tbilisi’s Conflict Resolution Plans”. Online Magazine *Civil Georgia*, 01.04.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008)

<sup>129</sup>Interview with Alexandre Kukhianidze; Head of the Georgian branch of the Transnational Crime and Corruption Center at American University. Held in Tbilisi, April, 2008

Sanakoev and separatist forces, although not on mass level, but on elite level for sure, comprising estimated 32 thousand persons in total, stressing the need to consider their position and accommodate them, as long as they serve to be the citizens of Georgia.<sup>130</sup>

As Iakobashvili admits, the Provisional Administration of the Former South Ossetian AO is being already integrated in the local administration of Georgia, like the other parts of the country and relations between the central government of Georgia and the Provisional Administration of the Former South Ossetian AO is reflected in the central budget of the country. Hence, he considers it necessary at the current stage to concentrate on peaceful initiatives. At the same time, alongside with political relations with another side, various kinds of socially oriented projects should also be supported by the central government of Georgia, leading to the improvement of the living standards of the population. In this respect, activities should be launched into the three directions. The first two could be considered as non-political: Providing local inhabitants with the opportunity of getting education and familiarizing them with the values of democracy, as relations with civilized and educated population would be more reasonable, be it even your enemy, rather than dealing with grenades and pistols, and promotion of multidimensional schools of the local self-government, being oriented on delivering various practical courses aimed at improvement of the quality of life of the local population in total. As for the third, the political aspect, considering the fact that currently we have the two subjects in the region Sanakoev vs. Kokoity, any project, designed for the future of the region should accommodate the interests of the both; Hence, denouncing the existing format JCC (Joint Control Commission) as the non vital and unfair one, incorporating the central government of Georgia on the one hand, and the Russian Federation in the three different incarnations, on another hand, the new

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<sup>130</sup>Interview with Temur Iakobashvili; State Minister for Reintegration of Georgia. Held in Tbilisi, April, 2008



format 2 plus 2 plus 2, i.e. Kokoity and Sanakoev, Georgia and Russia, EU and OSCE, could be considered as more rational approach.<sup>131</sup>

The main criticism of the conflict resolution project of the central authorities of Georgia is more concentrated on the chosen political and economic calculations of the conflict resolution and due to the miss assessed and failed attempts of building new political and economic loyalties by the central authorities of Georgia, contributing to the regulation of the conflict.

An independent expert working on the issues of conflict resolution and civic integration, Paata Zaqareishvili, is critical of the current approach towards the conflict zones of Georgia and the Tskinali Region in particular. “The region is not managed from the central authorities of Georgia and there are flee floating processes, without any control. Besides, the Georgian quote of Peacekeeping Forces, defined as 500 military personal according to the agreement, equals 30 in total nowadays”.<sup>132</sup> Although we should mention, in 2004, when the central authorities of Georgia raised the quota, the renewal for military activities were immediately followed as long as separatists saw in it possible threat of aggression. Zaqareishvili also criticizes the president of Georgia not to blame openly and directly the Russian Federation in the aggression towards Georgia on the 60<sup>th</sup> Assembly of UN, on September 16, 2005, warning the central authorities of the country that “Russia will try to provoke war in the Tskinali Region to prove in the eye of international society the necessity of the maintenance of the Russian peacekeepers in the conflict zone, at the same time blow a deadly crush on Georgia’s economy and strive for its future dissolution”.<sup>133</sup>

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<sup>131</sup>Interview with Temur Iakobashvili; State Minister for Reintegration of Georgia. Held in Tbilisi, April, 2008.

<sup>132</sup>Newspaper *Rezonansi*, 16.07.05

<sup>133</sup>Newspaper *Rezonansi*, 24.11.05

Probably the maintenance of the moderate policy towards the conflict zones of Georgia from the side of Saakashvili is determined to the awareness of the non profitable situation on international arena for exercising more aggressive politics towards the conflict zones. On the other hand, the need of neutralizing Russia in the processes, or at least receiving its consent over the resolution of conflict, is deeply felt among governing Georgian political establishment. Although a group of opposition have different approach towards the role of Russia, as considering it to be the matter of bargaining of great powers on international affairs. Opposition MP Kakha Kukava believes that the major change in the conflict resolution will come with the change of the policy vector of the US: “The Tskinali Region is the problem to be solved between Russia and the US, rather than between any other forces involved”.<sup>134</sup>

The miss-assessment of the role of Russia and the USA in the process of conflict resolution is stressed by Georgian political expert Vakhtang Chkuaseli, nowadays acting in the Russian Federation. As he mentions, “US uses Georgia as a tool against Russia for exercising its power politics, nevertheless, as soon as the general situation is extremely radicalized, Georgia is found to be abandoned by the US. Georgia’s strife for becoming the member of the UN and NATO will lead him in deadlock, finding himself in NATO without the conflict zones, at the same time being successfully divided by Russia and US.”<sup>135</sup>

More radical critics should be mentioned as well, among them Alexandre Chachia, the outdated politician of the pro-Russian orientation, admitting: “the territorial integrity of Georgia could not have been restored without considering Russia’s interests in the region. Moreover, the West is not interested in restoring the territorial integrity of Georgia and the

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<sup>134</sup>Newspaper *Axali Taoba*, 22.09.05

<sup>135</sup>Newspaper *Saqartvelos Respublika*, 12.10.06

dissolution into several pieces, like Iraq, is the future of Georgia, brought by the West as a solution of the year long conflicts”.<sup>136</sup>

The future status of the region, hence the issue of granting autonomous status to the Tskinali Region, is another bone of contention between the central government of Georgia and the opposition political parties. The opposition specter of Georgia’s political landscape considers it nearly impossible to grant autonomous status to the Tskinali Region. “National Forum” excludes such possibility even on a hypothetical level,<sup>137</sup> while the Leader of “National Front” Nodar Natadze demands for the membership in the State Committee working on the future status of the region, declaring: “If the government denies my membership, it will become obvious that it does not strive for the resolution of the conflict.”<sup>138</sup>

Another group of critics is more concerned with the methods Tbilisi will opt for the resolution of the conflict and the future fate of inter-ethnic relations in case of forceful resolution of the conflict. The leader of “The Republican Party” Tina Khidasheli admits: “We are not in need of integrating only the piece of land, but the population residing on it as well.”<sup>139</sup> “There is no need of war. Both sides should become aware of the fact that they should live side by side. In case of war, this will become impossible”,<sup>140</sup> political analyst Temur Gochitashvili comments, sharing with the idea of expert in international relations, Kaxa Gogolashvili, admitting: “The 21<sup>st</sup> century does not recognize the forceful methods of conflict resolution. In such case the two ethnic groups will never live together.”<sup>141</sup> The reasoning of their criticism is a bit vague, as long as the central authorities of Georgia totally

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<sup>136</sup>Newspaper *Asaval Dasavali*, 7-13.11.05

<sup>137</sup>Newspaper *Mteli Kvira*, 27.08.07

<sup>138</sup>Newspaper *Rezonansi*, 20.07.07

<sup>139</sup>Newspaper *Mteli Kvira*, 27.08.07

<sup>140</sup>*Ibid.*

<sup>141</sup>*Ibid.*

exclude the possibility of using military methods for the conflict resolution as they are fully aware of all potential threats stemming from it.

The whole political establishment of Georgia is aware and joint in the idea that first and foremost the Russian Peacekeeper Forces should be dismantled from the conflict zone. The PM of Zviad Gamsakhurdia's government Tengiz Sigua stresses: "If there are Russian military forces in the conflict zone, central authorities in Tbilisi should not hope for the resolution of conflict, as long as they will seriously impede any peaceful attempt of restoring territorial integrity of Georgia."<sup>142</sup> Although opposition MP Gia Tsagareishvili considers the chosen policy towards the conflict resolution as outdated, bringing no serious success and meeting no adequate response from another side.<sup>143</sup> In the same spirit the leader of NGO group Zaqaria Qutsnashvili does not exclude the possibility of launching small scale military operation in the conflict zone, although stressing the top priority of the peaceful resolution of the conflict.<sup>144</sup>

The idea of military resolution of the problem meets serious criticism from the side of military experts: as Kakha Katsitadze admits, "the military elements could be included in the conflict resolution process, although in case of total neutralization of Russia's martial involvement in the regional processes, accompanied with heavy support of the US and the EU"<sup>145</sup>. Another expert in the field, Irakli Aladashvili, excludes the possibility of the success of military actions, as separatists will gain serious military-financial support from Russia, returning Georgia back in the crisis like that of 1992-93, causing economic death of the country and total isolation from the international society.<sup>146</sup>

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<sup>142</sup>Ibid.

<sup>143</sup>Newspaper *Mteli Kvira*, 27.08.07

<sup>144</sup>Ibid.

<sup>145</sup>Ibid.

<sup>146</sup>Ibid.

The US warns the central government of Georgia not to make provocative actions, inspiring warfare activities in the conflict zones of the country, as long as it will lead to Russia's activation in the region and the loss of Georgia's reputation as a democratic flagman in the region, head of energetic projects at Nixon Center, Zeino Baran admits.<sup>147</sup> On the other hand, the US ambassador in OSCE, Kail Scott, suggested Russia not to interfere in the Georgian-South Ossetian relations and to prove its positive role through inviting international monitoring missions on Roki Tunnel.<sup>148</sup>

The West does not evaluate the role of Russia in the conflict zone in a joint spirit, hence restricting themselves only through the statements bearing more recommendation nature. The MP of the European Parliament, professor Vitatus Landsberg, crushed at the role of Russia in conflict zones of Georgia, admitting: "Russia could not serve as a mediator in the conflict zone as long as it is not a neutral part of the process, being involved in the regional processes with high interests",<sup>149</sup> further adding that "Russia plays the game according to her own norms and rules."<sup>150</sup>

Concluding the analyses, in terms of political approach, the new integration stance towards the conflict in the Tskinali Region could be considered as a crucial breakthrough in the years long frozen conflict as it invites all involved public political sides to negotiate solution, at the same time it is supported with the openly expressed will of the central government of Georgia to temporarily delegate its power to the local public and political groups, which will make up the administration of the "Provisional Administrative-Territorial Entity". And last, but not least aspect, according to the new legislative framework of relations between the center and periphery, legitimacy is given to the idea of restoring the autonomous

<sup>147</sup>Newspaper *24 Saati*, 7.06.05

<sup>148</sup>Newspaper *Rezonansi* 4.03.06

<sup>149</sup>"Russia is interested in the presence in the Caucasus". Regnum News Agency. 23:17 27.07.07. <http://www.regnum.ru/news/862808.html> (accessed April, 2008)

<sup>150</sup>Ibid.

South Ossetian region – the Tskinali Region, as it paves the way for a reasonable and mutually acceptable compromise on the autonomy's name.

## **2. Economic Aspects**

The first legal document showing signs of renewal of economic ties between the central government of Georgia and the local polity of the former South Ossetian AO was signed on June 24, 1992 in Sochi, signed by Edurad Shevardnadze and Boris Eltsin. The fourth article of the agreement stressed need for launching special round of negotiations for opening economic relations between the South Ossetia and the rest territory of Georgia.<sup>151</sup> As the de-facto governing body was not the part of negotiations at that meeting, its signature could not be found on the document, thus the will and readiness of the South Ossetian polity to enter in negotiations were implicit, declared as urgent by the central government of Georgia and the Russian Federation.

As no tangible results were shown up in the aftermath period of the Sochi agreement, the need for a new round of negotiations over the issue became obvious. The second round of negotiations over the issue was launched in Moscow, ended up with the agreement signed on September 14, 1993 by the head of the governments of the Republic of Georgia and the Russian Federation.<sup>152</sup> The new document was not looking at the immediate renewal of

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<sup>151</sup>№ 171. Соглашение о принципах урегулирования грузинско-осетинского конфликта. Конфликты в Абхазии и Южной Осетии. Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 252-253. [№ 171. Agreement over the Principles of the Regulation of Georgian-South Ossetian Conflict. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the "Caucasian Collection", Edition I. (Moscow: Ruskaia Panorama, 2008), 252-253].

<sup>152</sup>№ 190. Соглашение между правительством Российской Федерации и правительством Республики Грузия об экономическом восстановлении районов грузинско-осетинского конфликта. Конфликты в Абхазии и Южной Осетии. Документы 1989-2006 гг. Приложение к "Кавказскому сборнику". Выпуск 1. Изд-во "Русская панорама", Москва, 2008, 279-280. [№ 190. Agreement between the government of Russian Federation and the government of the Republic of Georgia about Economic Rehabilitation of Regions in

economic ties rather it posed the task of economic rehabilitation of the conflict zone. The document was crucial, as long as it was estimating the economic damage of the region, caused as a result of warfare activities. According to the first article of the agreement, the sum of money, being urgent for liquidation of the economic gap created in the Georgian-South Ossetian conflict zone, stands as 34.2 Milliard Ruble, according to the existing prices by July 15, 1992. The responsibilities between parties for providing the sum was distributed as follows: the Russian Federation took 1/3 of the whole amount, while 2/3 vested on the Republic of Georgia.

In line with these agreements no economic project was implemented in the conflict zone, although those offered officially all were doomed for failure due to the high probability of their transformation into the shadow economy of the de-facto government, turned out to be true in some cases.

The hopes for the breakthrough in revitalization of economic ties came with the emergence of the Provisional Administration of Sanakoev, as afterwards various economic packages being offered, mostly targeted to the Georgian controlled portion of territory of the conflict zone, as being dismissed by the de-facto government.

Prior to the official acknowledgment of the self-declared local polity of Sanakoev and his movement, Georgian Prime Minister Zurab Nogaideli signed a decree on February 21, 2007 to allocate up to GEL 6 million (approximately USD 3.5 million) for infrastructure rehabilitation and development projects in the Tbilisi-controlled villages of Didi Liakhvi and Patara Liakhvi Gorges of the Tskinali Region.<sup>153</sup> According to the proposal, the allocated amount of money was strictly distributed for implementation of different economic projects

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Georgian-Ossetian Conflict. *Conflicts in Abkhazia and South Ossetia. Documents 1989-2006*. Annex of the “*Caucasian Collection*”, Edition I. (Moscow: Ruskaia Panorama, 2008), 279-280].

<sup>153</sup>“Government Unveils South Ossetia GEL 6 Million Investment Plan”. Online Magazine *Civil Georgia*, 24.02.07 [www.civil.ge](http://www.civil.ge) (accessed April, 2008)

(building gas pipelines, rehabilitation of the water supply system) mostly targeted at improvement and advancement of living conditions of the local population.

The new economic initiative failed as it did not gain much interest and hopes from the local population. Analysts and experts point to the different causes of this failure: the theory that Kokoity and a small circle of officials around him were maintaining control over the former South Ossetian AO through their involvement in black market activities was not right approach to the settlement of the conflict. Policy makers, focusing on political-economic causes, ignored others, having no less importance, like different understandings of history, grievances inherited from the 1990-1992 conflict, especially regarding displacement and human rights violations, institutional arrangements and political influences, geopolitical interests and political-economic realities, leading to the collapse of the project.<sup>154</sup>

The State Minister for Reintegration Temur Iakobashvili considers that the model of economic development of Georgia provides the opportunity not to be afraid of smuggling, as long as practically there no longer exists custom tariffs and in case of absence of the huge portion of illegal goods, which are mostly banned by the central authorities of Georgia, the small activities does not bring any serious gains for smugglers. On the other hand, exercising various economic projects could serve as the crucial aspect for the regulation of the conflict and the long term economic integration of the secessionist region. For example, one direction could be the cooperation in the field of agriculture, thus meeting demands of the local population through developing business environment and relations between ethnic groups in the field of economics. Through the aid of international donors, the joint Georgian-Ossetian infrastructure is hoped to be created in the conflict zone.<sup>155</sup>

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<sup>154</sup>Georgia: Avoiding War in South Ossetia. 26 November 2004. Europe Report N°159 Tbilisi/Brussels. International Crisis Group [www.crisisgroup.org](http://www.crisisgroup.org) (accessed April, 2008)

<sup>155</sup>Interview with Temur Iakobashvili, State Minister for Reintegration of Georgia. Held in Tbilisi, April, 2008



Various NGOs and experts warn the central government of Georgia to be as much cautious as possible while grounding different economic projects through the Provisional Administration, as “the legitimate social and economic interests of the Ossetian residents should be adapted, to the greatest possible extent, to the requirements of Georgia’s economic security”,<sup>156</sup> pointing to the failure of the massive humanitarian operation in the conflict zone in the Spring-Summer 2004, aimed at to mend fences and win hearts and minds of the local population.

Russia reinforced its links with the secessionist Tskinali Region by giving financial aid and developing economic ties, hence targeting any project, aimed at economic integration of the secessionist region in Georgia. Russia pays pensions to the local population with Russian citizenship, at least 660 Russian Roubles per month (some USD 23).<sup>157</sup> Compared to the pensions provided by the central budget of Georgia the amount of money is insignificant, as long as according to the decree of the Ministry of Labor, Health and Social Welfare of Georgia, issued on December 11, 2007, the previous pension defined as GEL 38 no longer exists on the whole territory of Georgia and the minimum pension currently is defined as GEL 55. The new parameters of the state budget 2008 will enable to introduce raise in pensions again and reach the limit as GEL 76. The decree was followed with a new one on March 31, 2008, defining pensions on the whole territory of Georgia as GEL 70. According to the statement, the rise of pensions will be kept in the future as permanently financed from the

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<sup>156</sup>Caucasus Institute for Peace, Democracy and Development. *Policy Brief. #2*, 19.04.2007. [www.cipdd.org](http://www.cipdd.org) (accessed April, 2008)

<sup>157</sup>Other sources suggest that the real figure is higher, \$100-\$400. Crisis Group interview with former official of de facto government of South Ossetia, May 2004. International Crisis Group [www.crisisgroup.org](http://www.crisisgroup.org) (accessed April, 2008)

Central Budget of Georgia and by the end of 2008 it will be set as USD 100. The decree concerns to every citizen of Georgia, as reached the required age.<sup>158</sup>

Considering the abovementioned figures, living standards are considerably higher in the rest of Georgia in compared with the Tskinali Region. Due to the total destruction of the local economic infrastructure, the de-facto government could not provide minimum social welfare to the population of the region, being totally dependent on Moscow. As for Moscow's share in this respect, as we have seen above, Russia more cares on military maintenance of the region, combined with recent attempts of economic integration of the whole space, hence the spending on social welfare is insignificant. The contribution of the Russian Federation in the region bears more humanitarian nature, time to time delivering package of assistance for the local population: substantial humanitarian aid was sent to the Tskinali Region in 2004 by the northern neighbor. In early October, for example, the Moscow Municipality reportedly delivered 700 tons of aid in 22 train carriages.<sup>159</sup> Ties are further strengthened by use of rubles, car license plates resembling Russian ones, and harmonization of legislation.<sup>160</sup>

Russia's financial-economic support to the region is not endorsed by Tbilisi as they violate all agreements, both international, as well as those signed between conflicting parties, among them those with Russia's participation as well, hence they serve to be illegal and a result of Russia's direct interference in the internal affairs of Georgia, as it acts on the territory of the sovereign country without its permission.

As different from these types of projects, Tbilisi supports and argues for implementation of internationally backed economic projects, with the involvement of various

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<sup>158</sup>Ministry of Labor, Health and Social Welfare of Georgia - <http://www.moh.gov.ge/page.php?116> (accessed May, 2008)

<sup>159</sup>"Moscow Transfers 700 Tons of Humanitarian Aid to South Ossetia", Regnum News Agency, 18:37 1 October, 2004. <http://www.regnum.ru/allnews/334753.html> (accessed April, 2008)

<sup>160</sup>Crisis Group interview with official of de facto government of South Ossetia, August 2004. International Crisis Group [www.crisisgroup.org](http://www.crisisgroup.org) (accessed April, 2008)

donors and international organizations. Some projects were already supported by the international organizations. From 1996 to 1999 the UN Development Program (UNDP)<sup>161</sup> and UNHCR played leading roles. Nowadays the only major donor is the EU, whose projects have experienced significant delays. While, OSCE supports a range of activities in the conflict zone, and UNHCR, the World Food Program (WFP) and UNICEF have low-level presences, only one international NGO is currently fully operational in the area.<sup>162</sup>

Experts working on the economic aspects of the conflict have proposed more rationally calculated recommendations, targeting at diminishing the role of shadow economy of the conflict zone. They share the idea that Georgia's government should protect the legal economy from contraband and trafficking across border set with country's breakaway regions. The most of their recommendations could be summarized as follows:

- Import taxes should be decreased;
- Due to the lack of ability to control the administrative borders run over the break-away region, the burden of customs duty collection shall be moved from the border line to the territory of Georgia;
- Customs duty that had to be paid at the border shall be added to the value of the retail goods when selling them inside Georgia;<sup>163</sup>

The proposition of changing the administrative border and imposing checkpoints in Georgian controlled territory is not rational suggestion as it will ground de-facto regime to claim for recognition of the de-facto, unrecognized borders, as working borders between the

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<sup>161</sup>UNDP carried out a \$2 million rehabilitation program in South Ossetia from 1996 to 1999. It set up a system of joint technical groups with representatives from the Georgian and Ossetian sides to identify and approve projects by consensus.

<sup>162</sup>*Georgia: Avoiding War in South Ossetia*. 26 November 2004. Europe Report N°159 Tbilisi/Brussels. International Crisis Group. [www.crisisgroup.org](http://www.crisisgroup.org) (accessed April, 2008)

<sup>163</sup>Zurab, Garakanidze. *Security of the Economic Area from non-controlled Zones of Georgia*. (Tbilisi): 2006. Transnational Crime and Corruption Center (TraCCC) at American University, Georgia Office. [www.traccc.cdn.ge](http://www.traccc.cdn.ge) (accessed April, 2008)

regions. This fact adds seriously to the maintenance of the existing *status quo* in terms of economic-trade relations between the center and the secessionist region.

In spite of the abovementioned argument, widely supported by a group of experts and politicians, better administration of excise taxes is referred as the major blow at contrabandists and their separatist protectors, loosing significant illegal revenues. TraCCC argues that taxes should be lower than expected bribe payments to law enforcement, customs, and other groups, as this would make legal operations cheaper, as it is easier to undermine smuggling through taxation than through administrative measures, as smuggling involves hundreds of people, and hundreds of criminal cases would certainly cause great social unrest.<sup>164</sup>

Head of the Georgian branch of the Transnational Crime and Corruption Center at American University, Alexandre Kukhianidze argues that after the Rose Revolution 2003, as a result of various measures from the side of the central government of Georgia smuggling in the conflict zone has decreased significantly, nevertheless, the de-facto regime still receives substantial amount of money to support itself, as long as the Russia's support towards the secessionist authorities became more direct, open and aggressive. At the same time "smuggling and illegal economic activities are still significant, as long as the main stronghold of smuggling was relocated from Ergneti Market to the Ossetian controlled territory. Nevertheless, in line with general decrease of black market share in the economic life of Georgia compared with early 90's, the scale of smuggling has lessened enormously in the

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<sup>164</sup>Please refer to various publications, monitoring materials and recommendations offered by Transnational Crime and Corruption Center (TraCCC) at American University, Georgia Office. [www.traccc.cdn.ge](http://www.traccc.cdn.ge)

Tskinali Region as well, as the gangs on both side, once jointly found in black market activities, are on the wake of war and the trust no longer exists between them.”<sup>165</sup>

Concluding, mutual trust and relations could stem from joint economic projects and activities, nevertheless, the main handicap to the economic integration of the region will stem from Russia’s enormous support to the secessionist regime, directly backing it militarily, economically and financially, thus enabling the maintenance of the de-facto power base in the region. As particular economic interests and preferences of various persons in the region, both from de-facto government, as well as from high rank Russian official circles do correlate, elite interests lead to the maintenance of the existing *status quo* and preservation of conflicting situation in general.

The crucial task for the central government of Georgia is to find the right choice for the economic projects it will support in the region. Although as experts unilaterally admit, the private economic interests of the central authorities of Georgia should be eliminated, not to ground similar ones, used to exist before the Rose Revolution via the Ergneti Market. Pointing to the political economy of the conflicting behavior in the region, Gegeshidze is unsure whether modified variant of the Ergneti Market still functions in the region or not, although he does not exclude the possibility of some relapses, being in service of those elements, striving for the maintenance of the conflicting situation and the existing *status quo*. On the other hand, as the financial transparency of the Provisional Administration of the Former South Ossetian AO is hardly to be argued, doubts could be raised regarding mistreatment of financial resources. The both types of relapses should be in service of the

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<sup>165</sup>Interview with Alexandre Kukhianidze. Head of the Georgian branch of the Transnational Crime and Corruption Center at American University. Held in Tbilisi, April, 2008.

forces, with a high degree of political and economic interests in the maintenance of the conflicting situation, Gegeshidze stressed.<sup>166</sup>

Concluding, we could declare, the attempt from the side of the central government of Georgia to integrate secessionist region through economic means turned to be doomed for failure. As EU Special Envoy Heikki Talvitie noted “they [authorities in South Ossetia] are very much afraid. They do not have much trust towards the Georgian aid. Residents felt Tbilisi was trying to buy them cheaply”.<sup>167</sup>

The economic side of the conflict resolution plan, more in terms of policy towards the Ergneti Market, proper economic bargaining with Russia and anti-smuggling policy in the conflict zone is openly criticized by the experts and particular politicians. The MP from the Liakvi Gorge Guram Vakhtangishvili declares that the problem of the Ergneti Market was not solved and only the Georgian portion of the market was abolished. The portion located on the territory, controlled by separatists, still works and through different ways supports smuggling in Georgia, stressing: “it is impossible to abolish the Ergneti Market entirely, as long as it requires to act on the separatists controlled territory and act through military methods”.<sup>168</sup> Although acknowledging the necessity of its abolishment, Vakhtangishvili considers it as a negative aspect in the Georgian-South Ossetian relations, as it served as a basis for total absence of any type of relations between ethnic Georgian and Ossetian population.<sup>169</sup> The local representative of the central government of Georgia in Shida Qartli Mikheil Qareli, downplaying Vakhtangishvili’s arguments, points to the necessity of abolishing the Ergneti Market, admitting: “the area served to be the stronghold of illegal trade, drug circulation, arm

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<sup>166</sup>Interview with Archil Gegeshidze, Senior Research Fellow at the Georgian Fund for Strategic and International Studies. Held in Tbilisi, April, 2008.

<sup>167</sup>*Georgia: Avoiding War in South Ossetia. 26 November 2004.* Europe Report N°159 Tbilisi/Brussels International Crisis Group. [www.crisisgroup.org](http://www.crisisgroup.org) (accessed April, 2008)

<sup>168</sup>Newspaper *Axali Taoba*, 21.06.05

<sup>169</sup>Newspaper *Rezonansi*, 22.06.05

trade and trafficking. The decision stemmed from the general interests of the Georgian State.”<sup>170</sup>

The government of Georgia is also criticized on a weak economic bargaining over Russia’s membership in WTO. In this respect the issue of legalization of Custom check points with Russia through the Tskinali Region and Abkhazia should be stressed in particular. A group of Georgian expert considers the demand to be non-rational and non profitable for Georgia, pointing to another aspect that could have been bargained more profitably. “The stance of Georgia is doomed for failure in its roots and it would have been better to start negotiations over the lifting economic sanctions. Current politics could be termed as non-rational,” economic expert Gia Khukahshvili admits.<sup>171</sup> Kukahsvili criticized the Georgian government even earlier, arguing that the demand had several deficiencies as long as it would have been totally impossible to open Georgian controlled custom check points on the territories, not being controlled by the central authorities and in absence of Russia’s consent over the issue.<sup>172</sup> One crucial aspect is particularly stressed by experts: How long does Georgia maintain its position regarding Russia’s membership in WTO?

The new plan will meet severe challenges and contradiction from the side of the de-facto government in Tskinali and from the cross border neighbor, strongly contradicting any type of changes in the conflict zone and in the negotiating format. At the same time, the internal critics of the new resolution peace plan should be considered by the central authorities of Georgia, as long as they will try to downplay the new project in line of its particular failures and try to pick up scores in the eye of the population through pointing the deficiencies, be it political or economic, of the central government of Georgia in terms of conflict resolution approach.

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<sup>170</sup>Newspaper *Rezonansi*, 22.06.05

<sup>171</sup>Newspaper *Rezonansi*, 12.06.07

<sup>172</sup>Newspaper *Rezonansi*, 27.02.07

## Conclusions

In this thesis one central argument regarding evaluation the post-Soviet conflict, via theory of elite manipulation, was formulated and put further on the case of the Tskinali Region, Georgia. The paper offered a new line of analyses of the post-Soviet developments on the example of one region, sharing most of characteristics of the post-Soviet space under inter-ethnic rivalries, arguing that the post-Soviet processes were more a result of minority elites' rationally calculated political and economic interests, with significant external support, both in terms of politics and economics, rather than inter-ethnic confrontation *per-se*. Pointing to the local, as well as international developments, stressing the continuous process of structuring and restructuring of internal and external loyalties from both sides found in conflict, heavily influenced with the external players through their own building of power politics, interactions of elites' preferences and loyalties were portrayed.

Looking the interaction of Georgian and South Ossetian nationalisms as the interplay of the political projects of the elites of the respective ethnic groups in conflict, the paper downplayed the approach of seeing ethnic conflicts as ethnic clashes between ethnic groups *per se*. The idea that organizations of ethnic groups are free-floating units, being strictly subjugated to the rational political-economic calculations of the respective elite units, was followed up to the very recent developments, highlighting their strengths and weaknesses at different times.

The political and economic calculations of the both – conflicting and integrative elements in the Georgian-South Ossetian relations were analyzed in a broader perspective, at the same time putting the viability of the use of such duality (Georgian-South Ossetian) under question, while offering more neutral term Tskinali Region as the best option to demarcate the conflict zone.



In terms of the interaction of internal and external agencies, the broader picture of the post-Soviet regional developments was staged. In this respect, the processes of emergence and grounding of the very first external actor (Russian Federation) was looked in some detail on the other hand, the role of the other major players in the processes (OSCE, USA, EU) was offered in comparative perspective. The whole picture was filled with the opinions of the mainstream political and governmental level actors from Georgian, Russian and the separatist authorities, being critically reflected while summing up the whole project.

We came to the conclusion that the Soviet, as well as the post-Soviet territorial-administrative and ethnic policy, tightly intertwined with the continuous manipulation of history, grounded elites (both local, as well as external) with a possibility to play the ethnic card, thus successfully maintain the power base. On the other hand, rational economic and political calculations loom heavily in the conflicting choice of developments, camouflaged by various pretexts and motives, mostly based on ethnic differences, from the side of the respective elite units within particular ethnic groups and widely propagated through corresponding ethnic organizations, being tied with internal and external allegiances.

## **APPENDIX I**

### **Initiative of the Georgian Government with Respect to the Peaceful Resolution of the Conflict in South Ossetia<sup>173</sup>**

The Authorities of Georgia herein declare that it is necessary to take timely and efficient steps aimed at comprehensive and peaceful settlement of the conflict. People of South Ossetia need to open a new stage of development, stability and dignified coexistence.

#### **I. Bases of the Peace Agreement**

1. A long history of living together for centuries and successful coexistence of the Georgian and Ossetian peoples in the common cultural, territorial and economic space;

2. Striving for peace, welfare and stable economic prosperity of the Georgian and Ossetian people. Ensuring new, firm and legal principles of development of tourism, trade, agriculture and industry;

3. Providing the people living in South Ossetia with new broad possibilities of social protection, education, health protection, legal economic activity, job places and self-realization;

4. Creation of common legal and law-enforcement space, improvement of criminal situation, elimination of organized crime, including illegal trade in weapons, traffic of narcotics and smuggling. Protection of population from the threat of terrorism and influence of uncontrolled criminal groups;

5. Restoration and protection of norms, prescribed by the international law. Reintegration of South Ossetia with the legal system.

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<sup>173</sup>Source: President of Georgia: Initiatives <http://www.president.gov.ge>

## **II. Terms of the Peace Agreement**

1. Both parties to the conflict shall unconditionally refuse to use force;
2. The Authorities of Georgia shall completely assume social obligations to the population of South Ossetia;
3. The Law on Property Restitution shall be put into effect with respect to the population, who suffered damages in the conflict of 1990-1992; all families, who suffered losses, shall be paid single financial compensation;
4. The Government of Georgia expresses its readiness to provide the population of South Ossetia with a single payment of arrears of their pensions, accrued since 1991 and also guarantees all inhabitants that their current pensions and social privileges will remain at the least the same level;
5. The basic term of the Peace Agreement consists in unconditional protection of principles of self-determination of nations, cultural identity, minority rights, human rights and freedoms and equality of citizens, stipulated by the Constitution of Georgia.

## **III. Territory**

The territory of South Ossetia shall be restored within the same borders fixed before the commencement of the conflict and shall include the regions of Tskhinvali, Java, Znauri and Akhagori.

## **IV. Political Status**

South Ossetia represents an autonomous entity within the territory of Georgia.

South Ossetia is governed by the Head of South Ossetia, elected in the territory of South Ossetia through universal, equal and direct elections by secret ballot.

South Ossetia has its Parliament, elected through free and direct elections.

The Authorities of Georgia provide the population of South Ossetia with broad rights of local self-government. The population of South Ossetia shall elect the leadership and administration of Sakrebulo (self-governing bodies) of regions, towns and villages.

The representation of South Ossetia shall be ensured at all branches of the Georgian government that implies broad representation of Ossetian nationality citizens at the Georgian ministries, departments, committees and other offices of the state.

The representation of South Ossetia shall be ensured at the Parliament of Georgia that implies representation of definite number of deputies from the autonomous entity of South Ossetia.

Participation of representatives of South Ossetia in the administration of justice at the constitutional and other courts shall be also ensured.

## **V. Language and Education**

In the territory of South Ossetia the Ossetian language, along with the state language, shall enjoy the status of an official language.

Education in the Ossetian language shall be guaranteed and the government of South Ossetia shall settle the issues pertaining to the education.

Financing of the Ossetian television, radio and mass media shall be ensured from the state budget of Georgia.

Financing of the measures for protection of Ossetian culture and history shall be ensured from the state budget of Georgia.

## **VI. Social and Economic Rehabilitation**

The Authorities of Georgia shall ensure the economic rehabilitation of South Ossetia and shall allocate relevant sums from the state budget of Georgia for rehabilitation of vitally important infrastructure that implies restoration of motor roads, railways, and power transmission lines, gas main, the means of communications (telephone lines, cellular communication), TV and radio broadcasting.

The Government of Georgia shall support the implementation of target programs of economic revival, the aim of which consists in development of small and middle-sized business and creation of sustainable local sources of employment and income.

The fund for economic support of South Ossetia shall be established. Its financing shall be carried out through the state budget of Georgia and donations from international donors as well. Management of the fund and establishment of the priorities shall be implemented jointly by the central and South Ossetian authorities, with the participation of representatives of the international organizations.

The Government of Georgia is ready to consider the issue of creation of special economic zone in the territory of South Ossetia.

## **VII. Legal Issues**

A three-year transitional period in the process of conflict resolution shall be announced.

Supervision over the progress of the transitional period shall be exercised by international organizations.

Joint Georgian-Ossetian police/militia acting in the transitional stage under the aegis of international organizations shall be established.

The police/militia shall insure the security of citizens and freedom of their movement.

The joint committee shall be set up for the purpose of investigating the war crime cases. The joint committee shall make decisions on the fate of the criminals.

The Government of Georgia shall ensure the establishment of simplified border regime for the local population on the South Ossetian section of Georgian-Russian border which entails free movement of the South Ossetian population to and fro North Ossetia.

The Government of Georgia shall ensure repatriation of all inhabitants, who left Georgia during the conflict.

The Government of Georgia shall provide people, who decided to repatriate, with financial aid necessary for their settlement.

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### **Conducted Interviews:**

- **Alexandre Kukianidze** – Head of the Georgian branch of the Transnational Crime and Corruption Center at American University (accessed April, 2008)
- **Archil Gegeshidze** – Senior Research Fellow at the Georgian Foundation for Strategic and International Studies
- **Temur Iakobashvili** – State Minister for Reintegration of Georgia
- **Vladimir Sanakoev** – Head of the Movement People of South Ossetia for Peace