

A Bargaining Model Applied: Prospects for a Negotiated Resolution of the Status of Nagorno-Karabakh

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Abstract

Nagorno-Karabakh is an unrecognized state. In the eyes of the international community, the territory of Nagorno-Karabakh is part of Azerbaijan, but the region functions as an independent entity. No other states recognize its independence, but it both controls territory and governs a population. This paper examines Nagorno-Karabakh in the context of other post-WWII cases of unrecognized statehood and argues that, despite the inefficiency of unrecognized statehood, neither recognition as an independent state nor a negotiated reunification with Azerbaijan is a likely outcome. While a negotiated settlement could make both sides better off, the available bargains are not enforceable. Whichever side surrenders the issue of status can expect little in return. Nagorno-Karabakh is likely to remain an unrecognized state for many years.

"In the unhappy group of countries afflicted by the frozen conflicts, each case is special, but precedents count." Dmitri Trenin, 2008.

Introduction:

Unrecognized states, variously specified, are sometimes called states within states (Kingston and Spears 2004), *de facto* states (Pegg 1998, Lynch 2004), or almost-states (Stanislowski 2008). They are the flipside of what Jackson (1990) called quasi-states. The same sovereignty regime that props up quasi-states, which lack empirical sovereignty but possess international recognition and juridical sovereignty, denies the legitimacy of unrecognized states, which possess only empirical sovereignty. By examining Nagorno-Karabakh within this universe of similar cases, insight can be gained into both Nagorno-Karabakh's prospects for recognition as an independent state, and its prospects for negotiated reunification with Azerbaijan. While understanding the set of cases into which Nagorno-Karabakh falls cannot substitute for knowledge of the characteristics and history of Nagorno-Karabakh itself, neither can Nagorno-Karabakh be understood in isolation from the rest of world's unrecognized states.

Unrecognized States: Languishing in the Margins of the State System

The modern state system is based on institutions designed to facilitate peaceful and economically beneficial relations between like actors, and on the empowerment and legitimation of states through mutual recognition (Spruyt 1994). The norm challenged most directly by unrecognized states is that which, in the post-WWII era, has become most fundamental to it – the norm of territorial sovereignty. Almost all states have reason to fear the emergence of secessionist movements within their own borders, and a state system that places seceding entities at an extreme disadvantage lowers the benefits of secession, thereby making attempted secession less common. The lower the benefits of secession, the greater the security of existing states.

The most direct manifestation of this systemic hostility to secession is the norm of states refusing to recognize a seceding entity unless the home state recognizes it first. It is this norm which creates unrecognized states. Abkhazia, Nagorno-Karabakh, Transnistria, Somaliland, South Ossetia, and the TRNC have all controlled territory for over a decade without gaining recognition by more than two other states. In the post-WWII era (and excepting cases of decolonization), Bangladesh, Kosovo, and Western Sahara¹ are the only secessionist regions to gain significant recognition over the opposition of the home

¹ The official name of Western Sahara is the Sahrawi Arab Democratic Republic.

state from which they seceded.² Bangladesh was recognized by Pakistan (from which it seceded) before it entered the UN, but not before it received recognition by 28 states (Crawford 2006). Kosovo and Western Sahara have not gained admission to the UN, but as of October 30, 2008, they were recognized by 52 and 44 states, respectively. Even in these exceptional cases, however, it is important to note that recognition by 52 states also means non-recognition by almost three times that many. It is a powerful norm against which unrecognized states are struggling, and without recognition by the home state, most will never be recognized by more than one or two states.

Modifying the criteria presented by Kolstø 2006, I define unrecognized states based on three criteria: 1) A secessionist leadership controls (some of) the territory and population it aspires to rule; 2) The territory has sought international recognition as an independent state but has been recognized by less than ten UN members; 3) The territory has persisted in this state of territorial control and non-recognition for at least two years. Unrecognized states are a subset of cases of attempted secession. Many attempted secessions end with the military victory by the central government. Others end in a negotiated reunification, usually with the secessionist region agreeing to rejoin the home state as an autonomous region. A small minority of cases, like the secession of Bangladesh from Pakistan, end with the birth of a new state. Unrecognized states emerge when neither the secessionist elite nor the central government is capable of securing a complete military victory and the two sides are also incapable of reaching a negotiated settlement. A full list of post-WWII unrecognized states and their current status is given in Table I. A brief description of each of these cases is given in Appendix A.

² Because the 23 states that recognize the Republic of China recognize it as sovereign over all of mainland China and not just Taiwan, I do not count it here. It would also be possible to count Israel as a fourth example here if one considers it, as many scholars do, a case of secession from Palestine.

Table 1: Current Status of Post-WWII Unrecognized States

	Unrecognized State	Recognized statehood following military defeat of the central government	Rejoined home state following military defeat of secessionists	Rejoined home state in negotiated settlement	Recognition by home state based on negotiated settlement	(Partial) recognition over opposition of home state
Abkhazia	X					
Anjouan*				X		
Biafra			X			
Bouganville				X		
Chechnya			X			
Croatian Republic of Herzeg-Bosnia			X			
East Turkestan Republic			X			
Eritrea		X				
Gagauzia				X		
Hyderabad			X			
Katanga			X			
Kosovo						X
Nagorno-Karabakh	X					
Republika Srpska			X			
Republika Srpska Krajina			X			
Somaliland	X					
South Ossetia	X					
Tamil Eelam	X					
Transnistria	X					
Turkish Republic of Northern Cyprus	X					
Western Bosnia			X			

*Anjouan separated from the Comoros on two occasions: first in 1997 and again in 2007. Two years of territorial control was achieved only in the first separation, which ended in negotiated settlement. The latter separation lasted less than a year and ended in military defeat by the secessionists.

Most unrecognized states gained territorial control by fighting successful wars of secession against the central government, indicating that they are militarily strong. Nonetheless, by far the most common outcome is military re-conquest by the home state. No unrecognized state has ever achieved recognition from its home state at the bargaining table, and of 21 post-WWII cases of unrecognized statehood, only three have reached negotiated settlements to rejoin the home state. The central puzzle presented by this universe of cases is: Why are negotiated settlements so rare?

Nagorno-Karabakh as an Unrecognized State

Nagorno-Karabakh is an uneasy fit in the world of unrecognized states. The conflict with Azerbaijan did not begin as a separatist dispute, but rather as an inter-state conflict between Armenia and Azerbaijan. The ambition for statehood arose only after *de facto* separation from Azerbaijan had been achieved and annexation by Armenia was perceived to be politically untenable. Nonetheless, the ambitions of the Karabakh Armenians are now ambitions of independent statehood (a goal to which Armenia lent its official support in 1998), and they have exercised territorial control, albeit with a great deal of Armenian assistance, since the early 1990s.

The persistence of unrecognized statehood in Nagorno-Karabakh is puzzling because unrecognized statehood is inefficient. While enormous inflows of capital from the Armenian diaspora have made the economic situation in Karabakh less dire than in most unrecognized states, the costs of non-settlement remain high. The Azerbaijani SSR closed rail links with the Armenian SSR in 1989 (these have not been reopened), Turkey closed all land communication with Armenia in 1993, and Azerbaijan has continued in efforts to isolate Armenia and Karabakh economically (Crisis Group, 2007). Estimates of the total cost of the blockade to Armenia range from 10% to 30% of Armenia's GDP (Frainkman, Polyakov and Revenco; Beilock 2005). The constant threat of renewed violence has further hampered the rebuilding of private enterprise in Karabakh, and the economy has withered; the region's population stands at 1/3 of what it was in 1989 (Crisis Group 2005). Azerbaijan bears costs of non-settlement as well, though they are not as high. The risk of war recurrence hinders foreign investment, particularly in non-energy sectors, and the costs of military mobilization have diverted spending away from other domestic priorities like infrastructure and education (Crisis Group 2008).

The first step of this paper is to demonstrate that, despite the close political intertwining of Karabakh and Armenia, a bargaining model of unrecognized statehood is applicable. The next section of the paper briefly summarizes the bargaining model understanding of unrecognized statehood, but it is primarily the implications of the bargaining model for Nagorno-Karabakh that are the focus of this paper. I argue that despite the high costs of the current stalemate, neither recognition as an independent state nor

reunification with Azerbaijan is a likely outcome. Nagorno-Karabakh is likely to remain an unrecognized state for many years.

Nagorno-Karabakh in a Bargaining Framework

The bargaining model of unrecognized statehood is based on a two-player bargaining game between elites in the unrecognized state and the central government of the home state from which it is attempting to secede. Most cases of unrecognized statehood also feature a patron state that provides military and economic aid to the unrecognized state, but bargaining takes place between the secessionist elite and the central government of the home state. In the Armenian case, direct bargaining has most often taken place between the government and Armenia and the government of Azerbaijan. It was not until 1993, five years after the outbreak of violence, when Azerbaijan, newly under the leadership of Heidar Aliev, first recognized the Karabakhi government in Stepanakert as a party to the conflict. Most high-level talks have continued to take place between the Armenian and Azerbaijani presidents. Despite this fact, the Karabakh elite have either exerted strong influence on negotiations or, in the case of Robert Kocharian, run the Armenian government and conducted negotiations directly.³ Kocharian was head of the State Defense Committee, which wielded executive power in Karabakh, from 1992-1994, and President of Nagorno-Karabakh beginning in 1994, before taking over as Armenia's Prime Minister in 1996 and serving as Armenia's president from 1998-2008.⁴

The degree to which the Armenian government under Kocharian represented the interests of the Armenian state, Nagorno-Karabakh, or the Armenian diaspora in its negotiations with Azerbaijan is murky. However, while characterizing the Armenian government as bargaining on behalf of Nagorno-Karabakh (in those instances when Nagorno-Karabakh is not directly represented at negotiations) simplifies a complex reality, I believe it does not substantially mischaracterize it. In later sections of the paper, the focus is on bargaining between the Karabakh Armenians and the central government of Azerbaijan, while acknowledging the fact that most of the top-level meetings between 1998 and 2008 were held between Robert Kocharian, who represented multiple interests, and Heydar Aliev who represented the central government of Azerbaijan.

The degree of political linkage between Nagorno-Karabakh and its patron Armenia is unusual, but a high level of dependence on a foreign patron is the norm among unrecognized states. Turkish Republic of Northern Cyprus (TRNC) is dependent upon Turkey. South Ossetia, Abkhazia, and

³ Zurcher (2007: 165) claims that Levon Ter-Petrossian was forced to resign as the president of Armenia in 1998 because military leaders in Nagorno-Karabakh were unhappy with the concessions he had offered in negotiations with Azerbaijan.

⁴ The historical description contained in this paper is drawn from an admittedly narrow set of secondary sources, primarily de Waal 2003, Zurcher 2007, Laitin and Suny 1999, and the reports of the International Crisis Group.

Transdniestr are dependent upon Russia. Kosovo is dependent upon NATO. Only Somaliland and Tamil Eelam have been able to maintain territorial control without such foreign assistance.⁵ Military support by a patron typically takes two forms: the provision of, at a minimum, weapons and logistical support during the initial armed conflict with the central government, and later the provision of defense guarantees and continued military aid to the unrecognized state. The unrecognized state lacks the offensive military capability to compel the central government to recognize its independence, and the central government cannot forcibly retake the territory of the unrecognized state without triggering a direct military response by the patron.

Patron support is, in many cases, a necessary condition for the survival of an unrecognized state, but it is insufficient, in and of itself, to explain the persistence of non-settlement. The existence of a patron providing sufficient support to the unrecognized state to prevent military reconquest by the home state explains why military resolutions are not reached in some cases, but it cannot adequately explain the absence of negotiated settlements. The central model of this paper examines the strategic bargaining between the unrecognized state (Nagorno-Karabakh) and the home state (Azerbaijan). It is these two states that suffer the highest costs of non-settlement, and it is between these two actors that an agreement must be struck for the burdens of unrecognized statehood to be lifted.

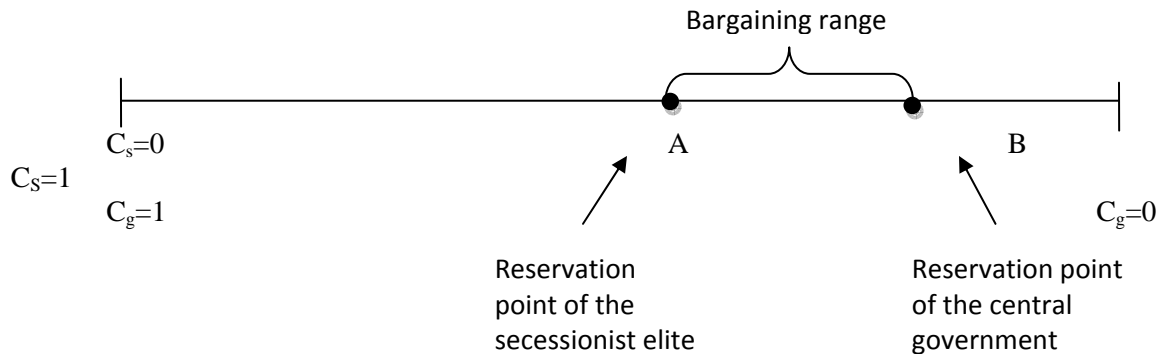
Nagorno-Karabakh in a Bargaining Model

The bargaining model of war was developed in the literature on interstate war (Fearon 1995, Powell 1999, Slantchev 2003) and has since colonized the field of civil war as well (Walter 1997; Fearon 2004). Graham (2009) applies this model to unrecognized statehood. In the bargaining model of unrecognized statehood, the secessionist elite (e.g. the government of Nagorno-Karabakh) and the central government (e.g. the government of Azerbaijan) bargain over control of the disputed territory. Any gain in control by one player constitutes a loss of control for the other. Control can be divided either by partitioning the territory geographically, or by issue area. An issue-area division of control would be one in which, for example, the central government were to control the international affairs and defense of the disputed territory while the secessionist elite controlled local taxation, spending, and law enforcement.

In bargaining, the secessionist elite and central government are attempting to maximize both territorial control and income subject to the constraint of staying in power. The secessionist public is weighing its preference for economic gain (best facilitated by an immediate settlement) with the desire for independence/maximal autonomy. The preferences of the home-state public mirror those of the

⁵ Appendix A lists and briefly describes post-WWII unrecognized states; Appendix B lists cases that are similar to, but failing to meet the definition of unrecognized states.

secessionist public, but the home-state public suffers much less economically from non-settlement than does the secessionist public.



For each side, there is a level of control below which they would prefer permanent non-settlement or a return to violent conflict. This is referred to as the reservation point of each player. Divisions of control that fall between the two players' reservation points would make both players better off than they would be under permanent non-settlement or a return to violent conflict. The space between the two players' reservation points is referred to as the bargaining range, and this constitutes the surplus that the two players divide during bargaining. Because non-settlement is costly to both sides, both sides benefit from a deal being struck sooner rather than later. However, both sides may be inclined to postpone settlement if they believe that the settlement reached in the future will grant them a higher level of control than the deal that could be struck in the present.

The Prague Process: Where Bargaining Stands in Nagorno-Karabakh

During the Prague negotiating process, which began in 2004, both sides have agreed that five of the seven districts adjacent to Nagorno-Karabakh that are currently occupied by Armenian forces will be returned to Azerbaijani control if a settlement is reached, and that international peacekeepers will be deployed. The sticking points are the status of Lachin and Kelbajar, the westernmost occupied districts, and the modalities of a future referendum on the status of Karabakh itself. The Karabakh Armenians demand at least a secure corridor through Lachin and demilitarization of both Kelbajar and Lachin, while Azerbaijan demands Armenian withdrawal from these territories and full right of return for those displaced in the conflict. The right of return to Karabakh itself is also a crucial sticking point with regard to the referendum. Presumably most ethnic Armenians would vote for separation from Azerbaijan while most Azeris would vote to remain within Azerbaijan. Hence, both sides are extremely concerned with who would be allowed to participate in a referendum.

International mediators have raised the possibility of Armenia and Azerbaijan agreeing on an interim status for Nagorno-Karabakh. This would provide a temporary legal framework under which Nagorno-Karabakh could trade, receive foreign aid, and represent itself at the OSCE and possibly other international bodies. Such an agreement would lower the costs of non-recognition for Nagorno-Karabakh and decrease their willingness to make concessions to avoid a continuation of the status quo. As such, an interim status agreement is not in the interest of Azerbaijan unless it extracts some form of compensation for its acquiescence.

Current proposals in the Prague process defer decision on the central issue of status by declining to set the modalities for a future referendum. According to the International Crisis Group (2007: 5) any current agreement on the referendum must provide “[Azerbaijan] a sense of security the referendum will not necessarily result in Karabakh’s secession and Armenians some reason to believe Karabakh independence is a real possibility.” The issue of status is deemed so impossible to resolve at the bargaining table that resolution can only be achieved later. In the following sections I argue that that an agreement over final status at a later time is unlikely as well.

Why Bargaining Fails: The Logic of Unrecognized Statehood

Unrecognized statehood persists as long as three things are true: 1) neither side can conquer the other militarily; 2) the unrecognized state cannot gain recognition from the international community over the objections of the home state (this is almost always true); and 3) the two sides together cannot reach a negotiated settlement. One would expect the two sides to reach a negotiated settlement without delay because unrecognized statehood is inefficient. As discussed earlier, both sides bear high costs from continued non-settlement, and a bargain that removes these costs could make both sides better off. The core of this paper is an explanation of why, even when a mutually beneficial bargain is available, two rational actors can still fail to reach a settlement. The explanation does not rely on either side hating the other to the point where trust or negotiation becomes impossible, or on either side not being aware that bargains exist that are in its best interest. It relies simply on the problems of credible commitment that have been explored in the civil war literature over the past fifteen years. It is tempting to believe that if international negotiators can just help the two sides see that a negotiated settlement can make both sides better off, then the two sides will reach that agreement. Unfortunately this is far from the case.

Problems of Credible Commitment: Sons of the Soil

Nagorno-Karabakh represents what is known as a “sons of the soil” conflict, a subset of conflicts which Fearon (2004) showed last far longer than other types of civil wars. Sons of the soil conflicts feature a demographic minority on the periphery of a state dominated by a different ethnic group, and

involve land or resource conflicts between the minority group and migrants from the dominant group. If a negotiated settlement is reached which keeps the disputed territory within the home state, the central government cannot credibly commit to preserving the local demographic and political dominance of the secessionist elite once the disputed territory reverts to central government control (Weimer 1978; Fearon 2004).

In 1989 ethnic Armenians made up an estimated 77% of the population of Nagorno-Karabakh. After the forced displacement of most of the region's Azeri population, the 2001 population was estimated to be 95% Armenian (Crisis Group, 2005). The political dominance of ethnic Armenians in the region is complete. If Karabakh were to rejoin Azerbaijan as an autonomous region, Azerbaijan could promise to preserve the total local political dominance of the Karabakh Armenians, but the promise would not be credible. The right of return for Azeris displaced from Karabakh during the conflict is a demand not just of the government of Azerbaijan, but of the international community. Given that large numbers of Armenians have emigrated from Karabakh as well, a return of even half the displaced Azeris would dramatically alter the ethnic makeup of the region. The return of Azeri citizens means the return of Azeri voters, and under any democratic arrangement, Karabakh Armenians would find that they were losing control not just to Azeri politicians at the national level, but also to Azeri interests in local politics.

Problems of Credible Commitment: Issue Indivisibility

In bargaining terms, the issue of status raises a problem of issue indivisibility. Either Nagorno-Karabakh is a part of Azerbaijan and Azerbaijani sovereignty extends to its territory, or it is independent. There is no half-way. In order for one side to be willing to concede the issue of status at the bargaining table (or to accept modalities for a referendum that allow the other side to win), that side must be compensated with concessions on other issues. For example, if the Karabakh Armenians were to concede the issue of status, side payments might include a favorable revenue-sharing agreement with oil producing regions of Azerbaijan, the promise of infrastructure and other state investment in Karabakh, strong Karabakhi representation in the central government of Azerbaijan, and of course, robust local autonomy. The problem is that promises such as these are unenforceable. Once the issue of status is conceded, the Azeri government would have no incentive not to gradually backslide on all of its promises. Promised infrastructure projects would not materialize, revenue sharing would be renegotiated, and autonomy and central government influence gradually eroded. Negotiators from Karabakh would be foolish to concede the issue of status in exchange for concessions Azerbaijan could later renege on.

For an example of how things might turn out, the Karabakhi Armenians need look no further than Adjara, a region that enjoyed *de facto* independence from Georgia from 1991-2004. Once Georgia reestablished control of the territory, no meaningful autonomy was given to the region. Prior to

reunification, secessionist control was total; after reunification all meaningful regional autonomy was eliminated. The same occurred, if somewhat less dramatically, after the unrecognized state of Gagauzia rejoined Moldova. Authority promised to the Gagauz in the negotiated settlement was gradually reclaimed by the central government.

One possible solution to problems of credible commitment is the participation of a third-party guarantor (Walter 1997; 2002). However, in order to be effective in this role, the third party must be both neutral and credible. According to de Waal (2003), Russia advocated aggressively for this role in the early and mid 1990s, but Azerbaijan resisted the presence of Russian troops on its territory because it did not view Russia as a neutral actor. While a more neutral international force might now be available, it is hard to see how international peacekeepers would enforce the type of provisions that would be necessary to convince Nagorno-Karabakh to rejoin Azerbaijan. By what means would an international actor force the central government of Azerbaijan to invest sufficiently in Karabakh's development, or respect the right of Karabakh Armenians to be educated in their own language? Even if there was an international body willing to take on such responsibilities, it is unlikely Azerbaijan would be comfortable surrendering its sovereignty to the degree necessary to allow a foreign actor to intervene in such matters.

A More Enforceable Option

If side-payments from Azerbaijan to Nagorno-Karabakh are so difficult to enforce, perhaps an agreement in which Azerbaijan concedes the issue of status is more promising. The Goble Plan, introduced in 1992 and most seriously considered in 1999, establishes a framework for such a deal. The plan involves Azerbaijan surrendering its claim to Karabakh and the Lachin corridor in exchange for Armenian withdrawal from all other occupied territories and the establishment of an internationally-monitored corridor between Azerbaijan and Nakchivan along Armenia's southern border.⁶ While bargains involving the future actions of states are difficult to enforce, the exchange of territory can occur simultaneously, thus making agreements enforceable.

While the deal has the benefit of being enforceable, it has a number of other problems. First, it requires that Armenia surrender some of its territory in exchange for independence for Nagorno-Karabakh, an exchange that many in Armenia do not support. Additionally, while Armenia is loath to compromise its control over its border with Iran, it is not clear that easing travel between Azerbaijan and

⁶ In many ways, this agreement is parallel to that which led to the recognition of Bangladeshi independence by the home state of Pakistan. Like Nagorno-Karabakh, the war of secession in Bangladesh was a three-party conflict; India joined Bangladesh in its war against Bangladesh's home state of Pakistan. When the war ended, India had captured 90,000 Pakistani prisoners of war (POWs), and the return of these captured soldiers became part of a negotiated settlement in which Pakistan recognized the independence of Bangladesh. In Nagorno-Karabakh it is not POWs, but rather occupied Azerbaijani territory, that represents the crucial bargaining chip.

Nakchivan is nearly as important to Azerbaijan as control of Nagorno-Karabakh. Simply put, the offer of a travel corridor is not valuable enough.⁷

The Impact of Kosovo's Recognition

As noted previously, the range of available bargains is bounded by the reservation point of each player – each player's expected level of well-being in the case of non-settlement. If the chance that Nagorno-Karabakh will receive international recognition over the objections of Azerbaijan is perceived to be high, then the reservation point of the Karabakh Armenians increases. If this chance is perceived to be lower or non-existent, then this point drops. In this way, the likelihood of recognition without settlement influences the level of concessions Nagorno-Karabakh should be willing to make at the bargaining table.

This leads to the question: is there any reason to believe that Kosovo's recognition makes international recognition of Nagorno-Karabakh more likely? I argue not. In granting recognition to Kosovo, the US and other recognizing states were careful to stress the history of genocide as a distinguishing characteristic of conflict that made reunification of Kosovo and Serbia infeasible. While accusations of genocide have been, from the onset, part of the Armenian narrative of the events in Nagorno-Karabakh, the international community has not generally acknowledged the occurrence of genocide against the Karabakh Armenians. On a less normative and more coldly pragmatic level, while NATO bore significant costs of non-settlement in the case of Kosovo (maintaining NATO peacekeepers in the territory is a significant expense), they do not bear these costs in the case of Nagorno-Karabakh. The incentives for the international community to seek a resolution of the issue of status are simply not as pressing.

Additionally, extending recognition to Karabakh on the heels of recognizing Kosovo would all but undo the norm of non-recognition that aides in deterring would-be secessionists around the world. While normative arguments for recognizing Nagorno-Karabakh may have grown stronger in the wake of Kosovo's recognition, the pragmatic costs of recognizing it have also gone up. A sober assessment of the prospects of recognition suggests that Nagorno-Karabakh is extremely unlikely to secure recognition from the international community without first securing recognition from Azerbaijan. In this sense, the recognition of Kosovo has changed little about the conflict.

⁷ De Waal (2003:265) suggests that Aliiev also had trouble selling this compromise in Azerbaijan because the gap between his public rhetoric, which promised re-conquest of Karabakh, and his private negotiating positions, in which he appeared prepared to concede the issue of status, was simply too great. Perhaps, however, if the proposed Armenian concessions were greater, the rhetoric gap would have mattered less.

Conclusion: Prospects of Future Settlement

The primary contribution of the bargaining model understanding of unrecognized statehood is that the availability of a mutually beneficial agreement does not mean that a settlement will be reached, even if both actors are rational and well informed. Because the issue of status is indivisible and most available side payments would take place in the future, the available agreements are often unenforceable. The prospects for negotiated settlements hinge, then, on one side being willing to concede the issue of status almost unilaterally, and this relies on the costs of non-settlement being much higher than they appear to be at present.

While the costs of economic isolation for Karabakh are large, they are substantially muted by continuing support from the large Armenian diaspora community. Many of those hurt most by non-settlement have left Karabakh (voluntarily or otherwise) and begun other lives outside the disputed territory. While non-settlement has hurt them, settlement at this date would not particularly help them. On the side of Azerbaijan, the costs of military mobilization and lost investment are substantial, but public pressure for resolution of the conflict is far from pressing. With costs as low as they are, the Azeri public seems unprepared to surrender its claim to the territory of Nagorno-Karabakh.

The sobering fact is that in the history of unrecognized states negotiated settlements are extremely rare, and there is little reason to believe that a settlement in Nagorno-Karabakh is more likely than in the six other outstanding cases of unrecognized statehood. The prospects for international recognition without settlement are extremely slim as well. For the foreseeable future, the most likely outcome in Nagorno-Karabakh is simply a continuation of the status quo. Unrecognized statehood is inefficient, but the same dynamics that have perpetuated non-settlement for the past fifteen years seem likely to perpetuate it for the next fifteen.

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Appendix A: Unrecognized States 1946-2008

<p>Abkhazia Home State: Georgia Patron: Russia Dates: 1991-present</p>	<p>Abkhazia has functioned as an unrecognized state since 1994, when a ceasefire agreement with Georgia was signed. The ceasefire line is patrolled by Russian peacekeepers under the nominal authority of the CIS. Abkhazia has enjoyed full de facto control of its territory despite the impoverishing effects of a Georgian blockade.</p>	<p>Current Status: Unrecognized state</p>
<p>Anjouan Home State: Union of Comoros Dates: 1997-2002</p>	<p>Independence was declared in 1997, and territorial control was maintained until 2002. During its brief independence Anjouan suffered one successful coup and a number of attempted coups. It was the under the leadership of a military junta that reintegration with the Union of Comoros was successfully negotiated in 2002. Independence was declared again in 2007, but lasted less than a year. The second period of territorial control ended with a successful invasion by the home state.</p>	<p>Current Status: Rejoined home state in negotiated settlement</p>
<p>Biafra Home State: Nigeria Patrons: France, Rhodesia, Portugal, and South Africa Dates: 1967-1970</p>	<p>During the period of secessionist territorial control (1967-1970), Biafra was recognized as an independent state by five other African countries (Gabon, Haiti, Ivory Coast, Tanzania, Zambia). A blockade by the Nigerians induced mass starvation, and Biafra was reincorporated into Nigeria in 1970.</p>	<p>Current Status: Rejoined home state following military defeat</p>
<p>Bougainville Home State: Papua New Guinea Dates: 1988-2001</p>	<p>Bougainville first declared independence in 1975, concurrent with the independence of the home state, Papua New Guinea (PNG), but six months later a negotiated settlement was reached which provided substantial autonomy to Bougainville within PNG. During the 1980s, however, the central government gradually appropriated power from the regional governments. When fighting began between the government of PNG and rebels on Bougainville in 1988, rebel demands were for closure of the Panguna mine and reparations for environmental damage. The rebels declared Bougainville independent in 1990, and despite substantial infighting between competing rebel groups, they were successful in achieving territorial control for most of the ensuing conflict, which lasted until 1997. The 2001 peace agreement that ended the fighting included provisions for a referendum on Bougainville's independence in 10-15 years.</p>	<p>Current Status: Rejoined home state in negotiated settlement</p>
<p>Chechnya (Ichkeria) Home State: Russia Patron: None Dates: 1996-1999</p>	<p>Rebels in Chechnya secured territorial control in 1991, and a ceasefire with Russia was signed in 1996 (followed by a peace treaty in 1997). War resumed in 1999, and ended with the restoration of Russian rule in Chechnya.</p>	<p>Current Status: Rejoined home state following military defeat</p>

<p>Croatian Republic of Herzeg-Bosnia Home State: Bosnia and Herzegovina Patron: Croatia Dates: 1992-1994</p>	<p>The region of Herzeg-Bosnia was controlled from 1992-1994 by Croatian Defense Council (HVO) during the Bosnian war. Independence was declared in November 1991, but no states granted recognition. In 1994 the territory was reintegrated into Bosnia and Herzegovina by the Washington Agreement.</p>	<p>Current Status: Rejoined home state following military defeat</p>
<p>East Turkestan Republic Home State: China Patron: Soviet Union (until 1945) Dates: 1944-1949</p>	<p>The East Turkestan Republic maintained territorial control from 1944-1949. They were aided in their initial struggle for territorial control (against the government of Chiang Kai-shek) by the Soviet Union. After Soviet support was withdrawn and the Chinese Communist Party came to power in China, the Chinese military was able to conquer East Turkestan and reestablish home-state control.</p>	<p>Current Status: Rejoined home state following military defeat</p>
<p>Eritrea Home State: Ethiopia Patrons: Somalia and Sudan Dates: 1961-1993</p>	<p>While Eritrean rebels exercised substantial territorial control during most of a 30-year long war for independence, they never achieved peace with Ethiopia until 1991, when the EPLF (Eritrean secessionists) cooperated with EPRDF (Ethiopian rebels) to overthrow the Ethiopian government. The new EPRDF government in Ethiopia recognized the Eritrean right to a referendum on independence. This vote was conducted in 1993, and recognition by other states and admission to the UN followed.</p>	<p>Current Status: Gained recognition as independent state following overthrow of the home-state central government</p>
<p>Gagauzia Home State: Moldova Dates: 1990-1994</p>	<p>The Gagauz first announced the formation of their own republic in 1990, prior to the independence of Moldova from the Soviet Union. The Gagauz enjoyed peaceful territorial control until 1994, when they agreed to rejoin Moldova as an autonomous region.</p>	<p>Current Status: Rejoined home state in negotiated settlement</p>
<p>Hyderabad Home State: India Dates: 1948-1956</p>	<p>Hyderabad was a princely state in the Indian Empire. After India's independence from Britain in 1948, Hyderabad sought independence. War broke out with the Indian army in 1948, and Hyderabad was incorporated into India in 1956.</p>	<p>Current Status: Rejoined home state following military defeat</p>
<p>Katanga Home State: Democratic Republic of the Congo Patron: Belgium Dates: 1960-1963</p>	<p>Katangan secessionists exercised territorial control for three years immediately following Congolese Independence, 1960-1963, but the region was reincorporated into the Democratic Republic of Congo following military defeat of the rebels by the Congolese army.</p>	<p>Current Status: Rejoined home state following military defeat</p>
<p>Kosovo Home State: Serbia Patron: NATO, the United Nations Dates: 1999-2008</p>	<p>Following a 1999 NATO intervention to the civil war between the Kosovo Liberation Army and Serbian forces, Kosovo was placed under a UN transitional administration. During this period of UN administration, 1999 to 2008, Kosovo existed as an unrecognized state. Kosovo issued a unilateral declaration of independence on February 18, 2008. It was then recognized by the US, the UK and a number of other countries, recognitions that were granted over strong objections by Serbia and Russia. As of August 21, 2008 Kosovo was recognized by 46 states.</p>	<p>Current Status: Gained (partial) recognition as an independent state without settlement with home state</p>

<p>Nagorno-Karabakh Home State: Azerbaijan Patron: Armenia Dates: 1991-present</p>	<p>In 1988 the Autonomous Oblast of Nagorno-Karabakh voted to unify itself with the Armenian Soviet Socialist Republic. A declaration of independence for Nagorno-Karabakh was approved by referendum in December, 1991, at which point full scale war broke out between the secessionists and Armenia on one side and the home state of Azerbaijan on the other. In 1994 a Russian-brokered ceasefire deal was signed by Armenia, Azerbaijan, and Nagorno-Karabakh. The deal left the secessionists with <i>de facto</i> control of the disputed territory.</p>	<p>Current Status: Unrecognized State</p>
<p>Republika Srpska Home State: Bosnia and Herzegovina Patron: Serbia Dates: 1992-1995</p>	<p>From 1992-1995, rebels secured sustained territorial control, despite being engaged in active warfare. The 1995 Dayton accords reincorporated Republika Srpska into Bosnia and Herzegovina as one of two constituent entities (the other being the Bosniak/Croat Federation).</p>	<p>Current Status: Rejoined home state following military defeat</p>
<p>Republika Srpska Krajina (RSK) Home State: Croatia Patron: Serbia Dates: 1991-1995</p>	<p>Established in 1991, the area functioned as an unrecognized state until 1995, when a majority of the territory was overrun by Croatian forces, and was reincorporated into Croatia. The remainder of RSK controlled territory temporarily became the Republic of Eastern Slavonia and Western Srijem and remained under UN control until reintegration with Croatia was completed in 1998.</p>	<p>Current Status: Rejoined home state following military defeat</p>
<p>Somaliland Home State: Somalia Dates: 1991-present</p>	<p>Somaliland is unique in that, since it declared independence in 1991, there has not been a functioning central government in the home state (Somalia). However, the international community has still not moved to recognize Somaliland as an independent state, despite its high level of empirical sovereignty.</p>	<p>Current Status: Unrecognized state</p>
<p>South Ossetia Home State: Georgia Patron: Russia Dates: 1991-present</p>	<p>South Ossetia secured territorial control with the help of both the Russian military and North Caucasus volunteers and has operated as an unrecognized state since a ceasefire was signed with Georgia in 1992. In August 2008, Georgian forces invaded South Ossetia, briefly taking control of the capital of Tskhinvali. Russian forces then drove the Georgians out, reestablishing South Ossetian territorial control.</p>	<p>Current Status: Unrecognized state</p>
<p>Tamil Eelam Home State: Sri Lanka Dates: 1983-present</p>	<p>The Tamil Tigers (LTTE) have been fighting an on-and-off civil war against Sri Lanka since 1983, with the LTTE controlling significant territory and operating a reasonably functioning unrecognized state. The Tamil Tigers are one of the few unrecognized states able to maintain a military stalemate with the central government without the support of a foreign patron.</p>	<p>Current Status: Unrecognized State</p>
<p>Transnistria Metropolitan State: Moldova Patron: Russia Dates: 1992-present</p>	<p>Transnistria has existed as an unrecognized state since 1992, when a ceasefire was signed with Moldova. Currently 1,200 Russian troops enforce the ceasefire under the auspices of the CIS.</p>	<p>Current Status: Unrecognized state</p>

<p>Turkish Republic of Northern Cyprus (TRNC) Home State: Republic of Cyprus Patron: Turkey Dates: 1983-present</p>	<p>In 1974, Turkey invaded Northern Cyprus to prevent the annexation of Cyprus by Greece and took control of more than 1/3 of the island. In 1983, the region declared itself independent, but it is only recognized by Turkey. A large Turkish troop presence remains in TRNC.</p>	<p>Current Status: Unrecognized state</p>
<p>Western Bosnia (Autonomous Province of Western Bosnia; Republic of Western Bosnia) Home State: Bosnia and Herzegovina Dates: 1993-1993</p>	<p>The region seceded from Bosnia in 1993 during the Bosnian war and maintained intermittent territorial control for roughly two years. Following the military defeat of Western Bosnia during Operation Storm in 1995, the region was incorporated into the Federation of Bosnia and Herzegovina.</p>	<p>Current Status: Rejoined home state following military defeat</p>