Constructing and de-constructing de facto borders through mobility policies: the cases of Abkhazia and South Ossetia

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Introduction

The two separatist conflicts that took place in the early 1990s between Georgia on one side, and South Ossetia and Abkhazia on the other, created a *status quo*, with regard to dividing lines, that lasted until August 2008, when the conflict between Georgia and South Ossetia led to a change in the location and the management of the boundaries. This is not to say, however, that the permeability of the boundaries between the separatist entities and the motherland had remained unaltered throughout the stalemate that characterised most of the 1990s and 2000s. On the contrary, the boundaries were subject to processes of hardening and softening, influenced by state and non-state actors.

This paper looks at the influence of regional and local actors on the evolution of boundaries, borders and *de facto* borders of, and within, Abkhazia and South Ossetia. The chosen perspective is that of mobility policies as a main factor determining the weakening or strengthening of dividing lines. While it acknowledges a concurrence of a range of variables in transforming borders, it chooses to focus on one of the many factors which have transformed boundaries and borders, namely policies aimed at enhancing or reducing the movement of goods and people. The framework of analysis includes, in addition to the de facto states, Georgia and the Russian Federation.

Inevitably, the paper initially clarifies the distinction between borders, boundaries, ceasefire lines and *de facto* borders, in order to qualify the dividing lines that separate the *de facto* states from Georgia. It then examines the state of the art on mobility policies in conflict situations, which mostly focuses on trade sanctions and trade incentives. The need arises to expand the understanding of mobility policies to include both formal and informal policies promoted by state and non-state actors. A wider definition of mobility policies is therefore proposed before approaching the case studies under scrutiny. The cases are then scrutinised as following: first, the policies of the regional actors, namely Georgia and the Russian Federation are surveyed, then those of local actors.

Borders and boundaries, ceasefire lines and *de facto* borders

The issue of borders and boundaries in conflict areas has been recently undergoing renewed scrutiny. While not abandoned, the institutional perspective is now one among many approaches through which borders and boundaries are scrutinised. Social, economic and anthropologic outlooks have enriched our understanding of the dynamics defining and developing various kinds of dividing lines, which both affect and are affected by violent conflict.
As borders and boundaries are terms currently used in everyday language (as well as their synonyms i.e. frontier), they shall be here briefly defined for a matter of clarity. State borders can be seen in terms of “fixed, legal, geopolitical entities”\textsuperscript{1}. However, in case of conflict, permanence, legality and geopolitics may be tested by the course of the events, by a change in the interpretation of international law, by differences among parties in interpretation, or by a change in international law itself, or in the geopolitical factors. As expressed by Jackson, “[borders] are not a permanence but merely a staged claim to permanence”.\textsuperscript{2} Additionally, the permanence and the legality of the borders may fail to coincide.

Boundaries, on the other hand, do not carry the weight of permanence, legality and geopolitics – though they do not exclude them either. Boundaries are the dividing lines at which something changes, that separate areas of certain rules of behaviour.\textsuperscript{3} The main characteristic of boundaries is their greater liability to change and evolve. In cases of conflict, in fact, boundaries can be hardened or softened to suit various interests, a process defined as “boundary activation”.\textsuperscript{4} Different actors can be involved in the process of hardening or softening some boundaries, whether states or non-state actors.

As defined above, these two terms fail to entirely describe the status of the dividing lines of the two cases under scrutiny. While the dividing lines between the Russian Federation on one side, and Abkhazia and South Ossetia on the other, have remained undisputed borders in the timeframe under scrutiny, the status of the dividing lines between the \textit{de facto} states and Georgia is less clear. The ceasefire lines of Abkhazia and South Ossetia remained fixed entities, patrolled respectively by a Commonwealth of Independent States (CIS) peacekeeping force stationed under the observation of a small United Nations Military Observer Mission, and a peacekeeping force of Ossetians, Russians and Georgians, monitored by an Organization for Security and Cooperation in Europe’s mission.

The term ceasefire line is not explicative of the multifaceted dynamics that shape the relations between two neighbours, with the exception of the field of security – halt of hostilities. Ceasefire agreements usually lead to peace accords or resumption of conflict. In some cases, however, ceasefire agreements can dictate the state of affairs for prolonged periods of time. Ceasefire lines can therefore evolve into demilitarised and highly securitised zones, such as in the cases of Korea and Nagorno-Karabakh, or into semi-permeable boundaries with low levels of violence, such as in the case of


\textsuperscript{3} Migdal, Joel S. Boundaries and belonging: states and societies in the struggle to shape identities and local practices, (Cambridge: Cambridge University Press, 2004)

Transdniestria. During prolonged stalemates, ceasefire lines acquire traits of borders, with the exception of legal recognition under international law.

In several cases, ceasefire agreements have led to the creation of de facto states, such as Somaliland and Northern Cyprus. These entities could be defined as states under the 1933 Montevideo Convention, albeit if considering “relations with other states” not only in terms of diplomatic relations (but also i.e. commercial): “The state as a person of international law should possess the following qualifications: a permanent population; a defined territory; government; and capacity to enter into relations with the other states.” However, the concept of statehood has customarily become linked to recognition by the international community, hence the definition of such entities in terms of de facto states. Their borders shall therefore be defined as de facto borders.

**Political economies of boundaries and borderlands**

What happens when a boundary is hardened or softened? The inquiry on the impact of the porosity of borders on stakeholders of border systems has initially verged mostly on identity through an anthropological lens. However, a better understanding of political economic agendas in civil wars has led scholars to pay greater attention to war economies in their regional contexts, thus including the transitional locations between state and region, namely borders and surrounding borderlands.

While conventional liberal wisdom would affirm that, when boundaries harden, opportunities are lost, studies have shown that reality is more multifaceted, with winners and losers arising from border activation. Jackson points out that generally borderlands create “energies and opportunities

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5 The Avalon Project, “Convention on Rights and Duties of States (inter-American); December 26, 1933”, http://avalon.law.yale.edu/20th_century/intam03.asp (accessed April 1, 2011)


7 Mats Berdal and David Malone, Greed & grievance: Economic agendas in civil wars, (Boulder, CO: Lynne Rienner Pub, 2000)

8 Michael Pugh and Neil Cooper, War Economies in a Regional Context, Challenges of Transformation, (London: Lynne Rienner, 2004)

9 Goodhand
arising from the contrasts and discontinuities that they both create and then police”.

In order to understand the mechanisms behind such process, we should first elucidate the role of borders in political economies. Borders are first and foremost “sites and symbols of power”. As such, borders are key locations where the state asserts its authority, by staging border and customs posts, and by limiting the flows of people and goods that can cross. Because of the cost for crossing that the authority can impose, an incentive to cross the border is created: the service of moving goods (and people) across the regulated boundary can lead to profit making. Such profit can be made by private entrepreneurs, who would pocket a margin on service fees while facilitating passage, or by authorities, which would gain from the hardening of the border, but not a complete closure.

Donnan and Wilson to assert that “[the] existence [of borders] as barriers to movement can simultaneously create reasons to cross them”. To illustrate such statement, let us point out that for the residents of the borderlands, commerce through dividing lines often represents one of the few ways to make a living. For the private sector, borders represent a hurdle (in terms of logistics and finances) but also an opportunity to increase profits from additional services. For administrations and law enforcement agencies, borders are the line along which taxation can be extracted, whether officially or unofficially (i.e. bribes). Stakeholders of border systems are therefore extremely numerous and diverse.

On both sides of borders or de facto borders, borderlands are often characterised by a weaker presence of the official authorities, due to their distance from the capital and the power that stakeholders of border systems can harness through the exploitation of opportunities created by the very existence of borders. Being areas where all opportunities created by the cleavage are exploited, borderlands often become “spaces of avoidance, where much that goes on is less than fully legal – in fact, they have a comparative advantage in illegality”. While this is most apparent when transnational criminal networks are involved, smuggling also concerns residents of borderlands who make a living out of small illegal trade of agricultural products, commodities or consumer goods in small quantities.

In this framework, it is of key importance to elucidate what sort of influence various stakeholders have in determining the porosity and permeability of conflict borders in order to understand the dynamics that underpin conflicts in borderlands (whether external or internal borderlands). As seen above, mobility through borders is a priced asset that influences the livelihoods and the economies of the regions surrounding them.

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10 Jackson, 266
11 Donnan and Wilson, 1
12 Donnan and Wilson, 87
13 Goodhand, 234
Mobility policies

The necessity to look at mobility policies as a factor behind the evolution of borders and boundaries is born out of the recognition that borders are never static, and neither are boundaries. States and non-state actors can harden or soften borders and boundaries according to their particular interests and through a multiplicity of methods. In this framework, mobility policies come under scrutiny because of the specificities of the political economies of the borderlands in cases of conflict.

In case of conflicts, mobility policies have traditionally been tackled in terms of formal arrangements that regulate the flow of goods, namely trade sanctions (embargoes) and, increasingly, trade incentives. The two most scrutinized options are sanctions and incentives of various kinds; a combination of the two can also be devised, and has been hailed as the most effective method. Since the early 1990s, the support for all-encompassing economic sanctions weakened because they were generally deemed ineffective in bringing about major changes in policy. Targeted sanctions, on the other hand, are intended to damage elites’ interests, while avoiding having a negative impact on vulnerable populations. The difficulty of such approach rests in the interconnectedness of actors and economic networks. Their impact of civilian livelihoods and the fostering of criminal behaviour were also raised as motives for discontinuing the practice of embargoes. In some cases, all-encompassing sanctions proved not only ineffective, but also counterproductive, generating a “rally ‘round the flag” effect. In the Abkhaz case, they reinforced a siege mentality; the impact of trade restrictions on South Ossetia in 2004, which will be discussed later, also illustrates the case.

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16 Gitty Amini, A Larger Role for Positive Sanctions in Cases of Compellence?, Working Paper No. 12, (Los Angeles: Center for International Relations, University of California, 1997)
On the other hand, sanctions can at times support the creation of internal oppositions, as has happened in the case of Transdniestria in 2006. This difference in reactions to commercial restrictions rests on the varying nature, implementation and framework of changes in customs regulation.

While it is extremely difficult to quantify the results of sanctions, their ‘successfulness’ depends “on what goals they are measured against”.\(^\text{21}\) The nature of the goals, which are pursued through the implementation of sanctions, is crucial for their outcome. Goals have been classified in three main categories, namely behaviour change, containment and regime change;\(^\text{22}\) in relations to these goals, targeted sanctions have proved effective to different extents. However, there has been a tendency among policy makers to assess the effectiveness of sanctions by measure of inflicted economic pain.

The fondness for incentives over negative sanctions grew in the last decade.\(^\text{23}\) In both cases, however, the effectiveness of inducement strategies depends on sender’s objectives, nature of recipient regime, political dynamics between sender and recipient and, crucially, the presence or absence of exogenous incentives.\(^\text{24}\) Two more factors affect the effectiveness of both sanctions and incentives. First, receivers may perceive economic pressure differently from sender’s intentions. Secondly, the ability of countries to implement them, effectively monitoring financial and commercial flows regionally. This partly depends on their own state capacity; the role of the neighbouring countries and of regional powers is also crucial in the implementation of such kind of national strategies towards separatist entities. However, the failure to implement sanctions consistently alters their effectiveness, while undermining the legitimacy of the sender.\(^\text{25}\)

The sanctions/incentives approach, however, reflects the actions of a very limited pool of actors, namely governments and international bodies, and fails to take into consideration the micro-dimension of the boundaries dynamics. In fact, sanctions and incentives indirectly impact borders and boundaries, as their main target is not the dividing line itself, but the economic entity on the other side of the dividing lines.

The need arises then to expand our understanding of mobility policies in order to reflect the variety of actors, whether formal or informal, and of methods that affect the \textit{de facto} borders under scrutiny. In the framework of


\(^{25}\) Pugh and Cooper, 227
this paper, mobility policies include formal policies aimed at allowing or limiting the movement of people and goods; planning of infrastructure that facilitate or hamper the movement of people and goods; commercial policies between de facto states and other regional actors. They also involve unofficial policies, such as facilitating or impeding unsanctioned trade; influencing peacekeeping operations; promoting or reining in non-state violence in the borderlands.

An understanding of the policies aimed at facilitating or limiting the movement of people and goods is key to our understanding of boundaries and borders. An analysis of mobility policies shows clearly which actors aimed at hardening and which actors aimed at softening borders and boundaries, why and how. The approach detailed above expands the understanding of mobility policies, from a more traditional perspective of sanctions and incentives to a wider concurrence of factors behind the hardening and softening of borders.

Georgia and the Russian Federation

The two regional powers that had a decisive impact on the state of borders of the de facto states are Georgia and the Russian Federation. They are the only two countries that share a border, whether de jure or de facto, with Abkhazia and South Ossetia; while the former has an extensive coastline along the Black Sea, but no other territorial neighbour, the latter is landlocked by its two larger neighbours.

The stance of Georgia and the Russian Federation on the borders under scrutiny differs greatly, as well as their management of the borders themselves. This difference originates in the fact that, for the former, Abkhazia and South Ossetia are matters of domestic concern, while for the latter they pertain to the realm of foreign policy.

Georgia lost control over most of the territory of the two separatist regions after the 1991-1992 conflict with South Ossetia and the 1992-1994 conflict with Abkhazia. While ceasefire agreements held, with some resumption of violence, until 2008, no peace agreements were reached. Georgia never recognised the independence of the de facto states; its stated goal remained to reintegrate the two regions within the Georgian state, following the principles of territorial integrity and national sovereignty. The Georgian authorities decisively rejected the status quo, and crafted their strategy accordingly. In the case of Russia, however, the implementation of mobility policies with regard to Abkhazia and South Ossetia is to be seen in the context of its neighbourhood policy and, more en large, its foreign policy. While there is no straightforward interpretation of Russia’s policy towards its near neighbourhood and the South Caucasus, the key factors that dictated its
policy were the attempt to maintain a strong influence over its own backyard and to securitize its own borderlands.26

In the case of Abkhazia, the CIS-imposed embargo banned official contacts for all CIS members, restricted economic co-operation and prohibited trade of most goods without licences from the Georgian central government, with the exception of food and medical supplies.27 Notwithstanding the embargo, Georgia and Russia remained the two main trading partners of Abkhazia. Adding barriers and burdensome bureaucratic procedures to any movement of goods, the embargo contributed to the creation of the grey economy.28 Although officially upheld by all parties, it was gradually disregarded since the late 1990s. The obstacles were circumvented by trading illegally through the Inguri and Psou Rivers, as well as through Abkhaz seaports, and by bribing low-waged state officials at checkpoints on the ceasefire line.29

Commercial dynamics along the Psou River largely reflected political shifts in the relationship between Russia and Georgia, while being closely correlated with trends of Russian investments. In 1999, the Russian President, Vladimir Putin, abrogated by decree the Russian commitment to uphold the embargo, cancelling most restrictions on crossing the Psou River.30 While repeatedly claiming to uphold the blockade, Putin expressed in 2004 the belief that this commitment did not include curtailing commercial activities and private investments.

On the Abkhaz-Georgian ceasefire line, on the contrary, the embargo was always officially upheld, and repeated efforts were made to curtail smuggling.31 However, under the presidency of Eduard Shevardnadze, the

26 For an analysis of Russia’s foreign policy and Russia’s policies in the Caucasus, see Dov Lynch, What Russia Sees, Chaillot Paper, No.74, (Paris: Institute for Security Studies, 2005); Paul Baev, Russia’s Policies in the Caucasus, (London: Royal Institute of International Affairs, 1997)


29 Closson, 168


31 Alexandre Kukhianidze, Alexandre Kupatadze and Roman Gosiridze, Smuggling through Abkhazia and Tskhinvali Region in Georgia, (Tbilisi: Transnational Crime and Corruption Centre, 2004), 55
ceasefire line was extremely permeable to smuggling, thanks to pervasive corruption at all levels of security forces and state institutions. Smuggling along the Inguri became so substantial in the early 2000s that the ceasefire line was described as “a competitive market for various Abkhaz and Georgian forces vying for the spoils of trans-border trade.” Commodities smuggled through the ceasefire line included petroleum products, scrap metal, stolen cars and timber, which entered the Georgian market or were re-exported through the ports of Batumi and Poti.33

In 2004, the Georgian government attempted to subdue the various actors who participated in trans-ceasefire line trade and to limit its volume. These policies were borne out of the necessity to fortify the Georgian budget and the belief that Abkhazia could be forced to negotiate if sources of revenue dried up. The Georgian president Mikhail Saakashvili insisted on the implementation of trade sanctions with other regional governments, repressed paramilitary groups and corrupted bureaucracy involved in smuggling, and attempted to reduce trade by sea.34 Nevertheless, smuggling increased slightly, as a consequence of the shift of trading routes after the closure of the Ergneti market in South Ossetia.35 In 2008, Tbilisi made the first attempts at initiating a dialogue on some forms of economic cooperation, such as free customs zone and investments; the conflict in August trumped these initial belated steps.36

On the South Ossetian front movement of people and goods were practically unrestricted until late 2003. As seen above, good relations and an open South Ossetian-Georgian ceasefire line characterised Shevardnadze’s presidency. In December 2003, however, the newly elected leadership started anti-smuggling operations along the ceasefire line and then proceeded to close the Ergneti market in May-June 2004. A de facto economic blockade was imposed, as forces of the interior ministry controlled access roads and villages in the southern part of the region, and some roads used for contraband were blown up.37 The logic behind this move was the belief that

32 Closson, 170
36 Interview with Gia Jandieri, a founder and the vice-president of the New Economic School of Georgia

Tbilisi’s policy backfired as it antagonized both the South Ossetian elite and large segments of the South Ossetian population. Expectedly, the regime denounced Tbilisi’s humanitarian initiatives as “a destabilization attempt” and suspended relations with Tbilisi.\footnote{Theresa Freese, ‘With All Roads to Tskhinvali Closed, Zone of Conflict Residents Pray for Saakashvili and for Peace’, \textit{Central Asia-Caucasus Institute Analyst}, 30 June 2004, available from: \url{http://www.cacianalyst.org/?q=node/2235} (accessed 31 July 2009)}\footnote{Civil Georgia, ‘Georgian Healthcare Minister Visits Tskhinvali, Delivers Aid’, \textit{Civil Georgia}, 8 June 2004, available from: \url{http://www.civil.ge/eng/article.php?id=7091&search=} (accessed 31 July 2009)} The civilian population did not positively respond, as had happened in Adjara, and did not contribute in unsettling the regime of the de facto president, Eduard Kokoity. As South Ossetian separatism was not merely a criminal phenomenon, the blockade had a boomerang effect, strengthening Kokoity’s popularity.\footnote{Theresa Freese, ‘With All Roads to Tskhinvali Closed, Zone of Conflict Residents Pray for Saakashvili and for Peace’, \textit{Central Asia-Caucasus Institute Analyst}, 30 June 2004, available from: \url{http://www.cacianalyst.org/?q=node/2235} (accessed 31 July 2009)}\footnote{Civil Georgia, ‘Georgian Healthcare Minister Visits Tskhinvali, Delivers Aid’, \textit{Civil Georgia}, 8 June 2004, available from: \url{http://www.civil.ge/eng/article.php?id=7091&search=} (accessed 31 July 2009)} It significantly reduced the possibility of employment in trade and the accessibility of Tbilisi’s markets for small producers.\footnote{Theresa Freese, ‘With All Roads to Tskhinvali Closed, Zone of Conflict Residents Pray for Saakashvili and for Peace’, \textit{Central Asia-Caucasus Institute Analyst}, 30 June 2004, available from: \url{http://www.cacianalyst.org/?q=node/2235} (accessed 31 July 2009)}\footnote{Civil Georgia, ‘Georgian Healthcare Minister Visits Tskhinvali, Delivers Aid’, \textit{Civil Georgia}, 8 June 2004, available from: \url{http://www.civil.ge/eng/article.php?id=7091&search=} (accessed 31 July 2009)} Incentives were ill matched in relation to the effective needs. The restoration of the railway to Tskhinvali and the support to farmers through the provision of fertilizers could have proven effective in the long-term; more immediate actions, such as a medical mission distributing medicines in Tskhinvali, had little reach among the South Ossetian population.\footnote{Theresa Freese, ‘With All Roads to Tskhinvali Closed, Zone of Conflict Residents Pray for Saakashvili and for Peace’, \textit{Central Asia-Caucasus Institute Analyst}, 30 June 2004, available from: \url{http://www.cacianalyst.org/?q=node/2235} (accessed 31 July 2009)}\footnote{Civil Georgia, ‘Georgian Healthcare Minister Visits Tskhinvali, Delivers Aid’, \textit{Civil Georgia}, 8 June 2004, available from: \url{http://www.civil.ge/eng/article.php?id=7091&search=} (accessed 31 July 2009)} Finally, aid was seen with suspicion and, as its delivery was not coordinated with Tskhinvali, the local police barred intended recipients from accepting it.

Trading did not stop outright, but was considerably curtailed by the closure of the Ergneti market and the enforcement of trade regulations at roadblocks. The post-2004 trade volume was difficult to assess. Small-traders claimed...
high-ranking officials were still able to operate after the closure of the market thanks to their positions.\textsuperscript{45} In fact, some argued that although Saakashvili effectively clamped down on corruption in law enforcement agencies, upper levels of government safeguarded their interests and business connections with South Ossetian officials.\textsuperscript{46} Others, on the contrary, pointed out that small-scale smuggling, conducted between villages in small volumes, was the only activity that survived the clampdown, as it was harder to detect and prevent.\textsuperscript{47} All in all, it is agreed that the trade on the TransCaucasian Highway (TransCam) was reduced to a trickle when compared with pre-2004 volumes.

Trade was initially diverted to the only legal border crossing between Russia and Georgia, the Zemo Larsi checkpoint.\textsuperscript{48} This new route bypassed South Ossetia, depriving its inhabitants of trade revenues; moreover, the trade of some commodities was abandoned, as it was no longer profitable with the addition of custom taxes. In 2006, \textsuperscript{49} this route was also suppressed, as Russia closed the checkpoint for indefinite maintenance.\textsuperscript{49} This not only paralyzed traffic between the two states, but severely affected the region as a whole and, in particular, Armenia and North Ossetia.\textsuperscript{50} In retaliation, Georgia closed the checkpoint at Ergneti, which had allowed the transit of people between 2004 and 2006.\textsuperscript{51}

\textit{Abkhazia, South Ossetia and local stakeholders}

From within Abkhazia and South Ossetia, the strengthening or weakening of internal and external borders and boundaries was closely linked to the aspirations for state building that the leaderships of both \textit{de facto} harbour to

\textsuperscript{45} Natalia Mirimanova, \textit{Corruption and Conflict in the South Caucasus}, (London: International Alert, 2006), 22

\textsuperscript{46} Natalia Mirimanova, \textit{Corruption and Conflict in the South Caucasus}, 27

\textsuperscript{47} Kupatadze, Alexander, ‘The Impact of the Rose Revolution on Smuggling through Abkhazia and South Ossetia’, 69

\textsuperscript{48} Theresa Freese, ‘With All Roads to Tsinkhvali Closed, Zone of Conflict Residents Pray for Saakashvili and for Peace’


some extent. But it was also linked to opportunities for profit that the leaders of the *de facto* states and of the neighbouring regions could craft out of boundary activation. Therefore, the approach towards the management of dividing lines greatly differed between Abkhazia and South Ossetia not only because of their history, demographics, geographical situation and economic viability, but also because of the stakeholders’ interests.

In the case of Abkhazia, the destruction caused by the war and the 1996 CIS imposed blockade led to a dramatic decline in socio-economic conditions. Damaged and looted infrastructure, both public assets and private housing, did not receive the necessary investments for rehabilitation. Both agriculture and tourism, the two main pillars of the pre-war Abkhaz economy, suffered from war destruction, the subsequent isolation of Abkhazia and underinvestment. Railways, which traditionally played the main role in heavy-cargo transportation, fell into despair during the conflict. Only electric passenger trains and light-cargo trains operated haphazardly between Ochamchira, Sukhumi and onwards to Sochi. The role of the state-run Russian Railway Company in rehabilitating the railway in 2004 was crucial and, for many, intentionally a provocation. The Abkhaz leadership greatly encouraged the restoration of infrastructure between Abkhazia and the Russian Federation, linking its hopes for economic viability of the *de facto* state to its northern neighbour.

The restoration of the railway, and infrastructure en large, between Abkhazia and the motherland was more problematically seen in terms of national security. The Abkhaz authorities neither sealed the *de facto* border nor facilitated transit. While Russian peacekeeping forces patrolled the ceasefire line, Abkhaz authorities left the adjacent borderland, which was traditionally mainly inhabited by ethnic Georgians, to the control of militia. Abkhaz militia turned the Gali region borderland into an opportunity zone, activating the security/insecurity boundary, which led to profit making. In the second half of the 1990s and early 2000s, they carried out periodic sweeps through the Gali region, contributing to the movement of internally displaced persons back and forth across the Inguri River. However, more actors than Abkhaz militias and authorities benefitted from this boundary activation.

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52 Closson, 165
55 Dov Lynch, *Why Georgia Matters*, 49; Giorgi Sepashvili, ‘CIS Summit Reveals Rift in Russian/Georgian Relations’
57 Dodge Billingsley, ‘Security Deteriorates Along the Abkhazia-Georgia Ceasefire Line’, *Jane’s Intelligence Review*, (6 September 2001)
Along the security zone straddling the Inguri River, stakeholders in widespread smuggling networks included security services (Russian, Abkhaz and Georgian), militias (Abkhaz and Georgian), officials (Abkhaz and Georgian), peacekeeping forces, suppliers and distributors of various nationalities. In addition, residents of the adjacent areas, often returnees to the Gali region or IDPs from the Gali region living in Sagramelo, carried out small-scale smuggling. It allowed them to make a living, given the economic state of despair of the Gali region and a serious problem with landmines in fields previously used for agriculture. Also, smuggling allowed residents of Abkhazia to have some access to consumer goods in spite of the embargo.

Along the ceasefire line, the involvement of Georgian security forces and bureaucracy was crucial to the smuggling networks until 2004. Low-waged Georgian officials, earning as little as 7 USD per month, demanded bribes to supplement their income. Local departments of law enforcement agencies and influential actors in Sagramelo controlled large-scale smuggling, in particular of petroleum products. The Abkhaz Government in Exile, the Georgian Tax Department and MPs from Sagramelo owning petrol stations were singled out as providing support to groups involved in smuggling. Officials within the Ministry of Interior had stakes in drug and weapons smuggling, as well as kidnapping and extortion; senior officers of anti-drug departments were involved in trade of narcotics.

South Ossetia opted for the opposite approach to the security/insecurity boundary activation in the borderlands straddling the ceasefire line. Until 2004 the South Ossetian authorities guaranteed secure passage to the goods crossing the de facto state and maintained a policy of permeable de facto borders from within South Ossetia.

They were no mechanisms for legal trading along the Transcaucasian highway. Goods usually bypassed Russian customs fees and bureaucratic procedures through customary payments of bribes; at the same time, they

58 Closson, 170
59 Alexandre Kukhianidze, Alexandre Kupatadze and Roman Gosiridze, *Smuggling through Abkhazia and Tskhinvali Region in Georgia*, 6
60 Alexandre Kukhianidze, Alexandre Kupatadze and Roman Gosiridze, ‘Smuggling in Abkhazia and the Tskhinvali region in 2003-2004’, 84
62 Closson, 168,172-3
63 Closson,173-4
66 ICG, 25
were not subjected to Georgian customs, as Tbilisi was unable to establish border posts at the Roki tunnel. The Georgian central government withheld from setting up customs posts along the ceasefire line between Georgia and South Ossetia, being adamant that the ceasefire line should be treated as an internal administrative boundary. The circulation of goods between Tskhinvali, Ergneti and Tbilisi, although unsanctioned, proceeded fluidly, relying on the support of corrupted Georgian officials. The very access to and from the Ergneti market was highly profitable, as protection was provided at a price. Georgian paramilitary groups operated under the umbrella of the Georgian State Chancellery.

Only when crossing the territory of South Ossetia, the trade acquired the official protection of the authorities – albeit the de facto ones. Businessmen generally abode South Ossetian norms, paying an official fee administered by the de facto power ministries. Law enforcement agencies, in return, prevented other agencies or paramilitary groups from extracting further bribes, and guaranteed a safe passage from the Roki tunnel to the ceasefire line. The Ergneti market itself was partly controlled by Lokha Chibirov, the son of the first de facto president.

In the early 2000s, the European Commission proposed the establishment of a joint customs regime; as an act of compensation, it would have contributed to the overhaul of the TransCam itself. The South Ossetian government rejected it, on the grounds that it would have curtailed its sovereignty; more realistically, such an agreement would have curtailed the scope of smuggling and future profits.

In fact, the stakeholders’ analysis of the South Ossetian stalemate revolves around the TransCam trade and the evolution of trade regimes. A trans-territorial network composed of Russians, South Ossetians and Georgians orchestrated the trade; the stakeholders of this network were members of the elite, bureaucracy, business groups and consumers. IDPs, refugees and residents of the conflict areas mainly conducted small-scale trade. Although the control of the TransCam smuggling was gradually concentrated in the hands of a few well-connected businessmen and members of the elite, the trade continued to provide a living to residents of South Ossetia and adjacent

67 Kukhianidze, Alexandre, Alexandre Kupatadze and Roman Gosiridze, *Smuggling through Abkhazia and Tskhinvali Region in Georgia*, Closson, 181
70 OCHA Georgia, *South Ossetia Briefing Note 2003*, Briefing Note, (Tbilisi: United Nations, 2003), 2
71 Closson, 180
areas in Georgia. It allowed for the creation of jobs and contributed to keeping prices of basic goods low, as they were virtually duty-free.\(^{73}\)

**Conclusion and future research**

The medium- and long-term consequences of the hardening and softening of boundaries in the interwar period were numerous, including economic, social and political impacts on the borderlands under scrutiny and the region by and large. In fact, mobility policies affected borders not exclusively in terms of transit of people and goods, as shown by the resurgence of full-scale violence in South Ossetia in 2004. While this aspect deserves a separate study, a few repercussions can already be sketched out in terms of impacts in the following fields: diplomatic relations between the major actors at stake; processes of conflict resolution and confidence building between the motherland and the de facto states; viability of the de facto states; livelihoods of borderland populations. Such analysis, however, should rest on the findings of a study of the dynamics and the short-term consequences of the hardening and softening of boundaries in the interwar period.

In this sense, Russia’s mobility policies were coherent with its foreign policy of maintaining a presence in the South Caucasus. The increasing permeability of the international border between the Russian Federation and the two de facto state led to a northward orientation of the two separatist regions in terms of trade and economic reliance. However, Russia’s refusal to acknowledge Abkhazia’s and South Ossetia’s independence until 2008 shows that, instead of an institutional approach, it opted for a more practical and informal one in order to further its goal.

Georgia’s mobility policies, on the other hand, were at times far more incoherent with its goal of reintegration of Abkhazia and South Ossetia. Its insistence on the implementation of the CIS embargo in Abkhazia and the lack of initiative in establishing commercial and transport links across the de facto border led to a further widening of the cleavage between motherland and the de facto state. Its more pragmatic approach in South Ossetia contributed to peaceful relations and lack of animosity until early 2004, when the decision to curtail the commercial flow on the TransCam precipitated the situation. In addition, limitations on the movement of goods and people across the de facto borders (whether explicit or implicitly generated by a lack of legal framework and infrastructure) severely impacted the livelihoods of borderland populations and of the residents of the de facto states, leading to the creation of a siege mentality and failing to foster confidence for Georgian sovereignty. However, this study has shown the multiplicity of actors involved, including non-state actors who were set to gain from boundary activation. In the case of Abkhazia, and in South Ossetia before 2004, the maintenance of a de facto

\(^{73}\) ICG, 10
border, respectively semi-permeable and permeable, suited the interests of key stakeholders of borderland economies.

A similar variety of actors and interests characterised the drive for boundary activation and deactivation in the de facto states, which added up to considerations of economic viability and aspirations for state building. Inevitably, local actors responded to the policies implemented by their larger neighbours, having to accommodate the Georgian and Russian policies that sustained the process of hardening and softening of the boundaries. They nevertheless contributed to boundary dynamics within the territories that they controlled, whether by acquiescing to violence as a method for boundary activation in the Gali region, or by regulating trade and suppressing insecurity on the TranCam.

Finally, this paper fails to tackle the interests of organised crime and transnational networks in boundary activation and its impact on the de facto borders of Abkhazia and South Ossetia. This is due to the paucity of data and scarcity of established accounts. A comparative approach with other post-conflict settings leads us to believe that Georgia and the adjacent areas were ideal environments for organised crime in the interwar period. Favourable conditions included porous borders, weak rule of law, poorly paid officials and pervasive corruption at all levels.\textsuperscript{74} Moreover, weak governments and institutions, loss of state control over significant areas of national territory and economic collapse enabled organised crime to flourish throughout the CIS.\textsuperscript{75} It is however unclear to what extent organised crime had an effect on the permeability of the boundaries and through which mechanisms. While data gathering in this field is likely to be hazardous, a study of the issue would be beneficial to cast additional light on boundary dynamics in the region.


\textsuperscript{75} Cornell, 26
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