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## Explaining de facto states' failure

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This chapter examines how and why de facto states fail. It focuses on a number of potential causes of de facto state failure. Along with more conventional approaches – such as the focus on reintegration with the parent state, and the lack of good governance and economic problems – this study emphasizes less well-known causes of de facto state failure. These include tribalism, factionalism, and ideological fragmentation. This chapter emphasizes that de facto political entities often tend to follow similar paths to failure as recognized nation-states. Similarly to recognized states, de facto states may fail well before their loss of sovereignty and territorial control.

There are more definitions of de facto state (Pegg 2017), stretching from relatively narrow (Kolstø and Paukovic 2014; Caspersen 2012; Toomla 2016) to relatively broad ones (Florea 2014). Although the authors of the book generally stick to the rather narrow concept of de facto state, in the case of de facto state failure we will take into account also borderline cases or cases from Florea's (2014, 791) list of 34 entities which between 1945 and 2011 enjoyed "some degree of separation" and exerted "military control over (...) portions of territory." In fact, the structural causes such as tribalism, factionalism, and ideological fragmentation can even prevent the separatist movement from being able to transform into a de facto state.

Current research on sovereign state failure<sup>1</sup> closely connects the weakness, or the collapse, of a nation-state with the emergence of unrecognized polities (Rotberg 2010). The appearance of internal actors willing to split the state along ethnic, religious or political lines is often associated with the inability of nation states to control their territory and due to their military deficiencies (Kraxberger 2007). States with federal systems, and with more than one ethnic

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<sup>1</sup> This chapter relies on Iqbal and Starr's (2015, 12) general definition of state failure, which is "focused on the complete collapse of state authority."

group, and countries affected by political crises, are considered most vulnerable to de facto secessionism during episodes of weakness and political turmoil.

The bulk of studies on state failure focuses on two relatively closely related factors explaining the state failure. Firstly, armed conflict is depicted as the key factor of state weakness and failure, because it weakens political institutions, affects economic performance and is often associated with separatism (Rotberg 2010; Vinci 2008). For example, Rotberg (2004, 5) in his major work on failed states drew close links between civil war violence and state failure, presenting intrastate armed conflict as an inseparable part of most failed states. This claim is not hard to substantiate: many failed states around the world are currently affected by civil wars. Syria, Iraq, Afghanistan, Yemen, and Somalia are some of the most well publicized examples. Indeed, all states included into the State Fragility Index<sup>2</sup> under classification of highly fragile (or failed) are engulfed by intrastate violence. Amongst these countries, Sudan, South Sudan, Somalia, and Ethiopia, at different periods of their recent history have either had de facto entities within their territories, or themselves separated from their parent states.

Secondly, economic challenges are emphasized as one of the main causes of state failure, which in many cases is associated – either as its cause or as its consequence – with civil war violence. In some failed states, economic problems appeared following the emergence of civil war, destruction of infrastructure, disruption of trade and foreign investments. In other failed states, economic weaknesses were inherent to the state system and were behind the emergence of civil violence (Iqbal and Starr 2015). Economic weaknesses are often closely interconnected with corruption, nepotism, and other governance problems intrinsic to many developing states. Another aspect of economic development pertinent to state failure is the disparities in the distribution of revenues from natural resources in states rich with mineral deposits. Conflicts over unequal distribution of resources are common causes behind secessionist conflicts and state failure in countries with resource-rich ethnic regions. Such de facto states as Biafra in Nigeria and Katanga in the Democratic Republic of Congo (DRC) or entities which used to enjoy some degree of separation, such as South Sudan (prior to independence), have emerged to a significant extent due to conflicts related to poor natural resources management by the parent state. The lack of good governance, political favouritism and the failure of development are amongst other causes of state failure that are interrelated with both armed conflict and economic deficiencies (Iqbal and Starr 2015).

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<sup>2</sup> See <http://fsi.fundforpeace.org/>.

The above causes create conditions beneficial for and conducive not only to state failure, but also for successful secessionism and the establishment of a durable de facto polity. The cases of effective de facto statehood in the absence of parent state's fragility are few. For example, the list compiled by Florea (2014, 793) entirely consists of parent states, which had been either fragile or highly fragile through significant periods of their modern history. This draws an inseparable link between state weakness, or failure, and the emergence of de facto states. However, the relationship between state failure and de facto statehood is not only crucial for the birth of de facto entities, but is also engraved in their own demise.

It must be noted, however, that de facto state's failure is not always and not necessarily synonymous with their disappearance and demise. Therefore, this chapter does not causally connect the failure of unrecognized states with the end of their existence. Rather, the key theoretical goal of this study is to examine which factors are likely to precipitate de facto entities' weakness and failure.

### ***1.1.1 When de facto states fail***

De facto states differ from recognized polities in many aspects, but they also share numerous similarities with nation-states. One of these analogies is that de facto entities are just as likely (if not more) to experience weakness, failure, and collapse as recognized states. I understand the failure of de facto states in the same terms as the failure of sovereign states (Iqbal and Starr 2015, 12). The failure of de facto states' attempt to achieve political independence does not equal to state failure and the loss by de facto entities of their capacity to control the territory and to provide their population with public goods does not mean that these states will cease to exist. As is the case with many de facto states, weakness and the failure of a parent state are conducive and beneficial towards the emergence of de facto statehood. However, many if not all de facto polities and other similar entities are doomed to inherit most of the weaknesses of their parent state. The lack of international recognition, absent or destroyed by war industries, often land-locked location, lack of experienced administrations, and numerous other malaises make their plight even more precarious. The most logical assumption to be extracted from the literature on state failure is that armed conflict, economic deficiencies, and poor governance should undermine de facto states as fast, or even faster, as recognized polities. Other factors that influence survival of de facto states include support from patrons, other countries, or stakeholders, relations between the leadership and other actors of the parent state and the breakaway region. Bearing in mind that existing literature on de facto statehood has already

explored external factors in sufficient depth (Kolstø 2006; Rotberg 2004; 2010; Iqbal and Starr 2015), detailed discussion of these factors is beyond the scope of this study.

Nevertheless, remarkable endurance of de facto entities in the face of all these challenges had been detailed by a large and growing body of empirical literature on de facto statehood, particularly in the former Soviet Union (Baev 1998; Kolosov and O'Loughlin 1998; Beissinger and Young 2002). One noteworthy difference between the nation-state and the de facto state failure is that the latter is very likely to culminate in the disappearance of the de facto entity and its reintegration with a parent state. This makes it even more imperative for de facto states to avoid failure at all costs. Whilst failure of a de facto state significantly increases the likelihood of its disappearance, failed de facto state may still continue to exist for as long as it is capable to ward off the attempts by parent state to absorb it.

Despite the looming threat of military invasion from a parent state, stagnant economic performance that many currently existing de facto states share, and chronically poor governance, a surprisingly high percentage of de facto entities manage to survive. Moreover, the emergence of the east Ukraine's DPR and LPR over two years ago and the imminent possibility of a Kurdish de facto entity in Syria, suggest that the numbers of de facto states continue growing. The de facto states' durability further increases the importance of understanding how and why these entities meet their end.

Research on de facto statehood maintains that effective nation-building, strong military, weakness of parent state, and the existence of a strong patron enable de facto states to survive irrespectively of their deficiencies (Kolstø 2006, 729). Most studies, however, consider the above factors as static and make few efforts to explain what happens if de facto states fail at nation-building. Are their military forces always strong? What happens when a parent state manages to overcome its weaknesses? What happens when a patron either decides to stop supporting a de facto entity (Serbian Kraina in Croatia), or when a de facto state does not have a patron (Tamil Eelam, Chechnya)?

The main theoretical argument of this chapter is that de facto states fail due to a combination of factors, most of which are associated with armed violence, socio-political cleavages, and economic collapse. The de facto state failure is a far more complex phenomenon than it is often portrayed in the literature. Conflict violence and economic deficiencies are often embedded into a patchwork of intervening factors. With that in mind, this chapter outlines – alongside armed conflicts and economic deficiencies – tribalism, warlordism, and ideological

fractionalization as significant determinants of de facto failure traceable in a number of other “failed” de facto entities. This chapter does not attempt to underrate the significance of other factors of de facto states’ failure, and therefore the main objective here is to analyze the above detailed set of factors not as exclusive but as complimentary to other scenarios of de facto state collapse.

### *Armed conflict*

Reabsorption in the parent state as the result of an armed conflict is one of the possible, and most widely cited in the literature (Kolstø 2006, 737; Florea 2014; Iqbal and Starr 2015), causes of de facto states’ failure. In the absence of a patron or due to their military weakness, de facto entities may be vulnerable to armed conflict with a parent state. Katanga, Biafra, Serbian Kraina, and the Chechen Republic of Ichkeria are amongst the examples of de facto states, which have failed due to armed conflict with a parent state, and were subsequently absorbed. In contrast to the inclusion of a de facto independent territory into the parent state as a separate entity (for example with extended autonomy), forceful incorporation of a de facto entity into parent state results in the loss of de facto state’s control over its territory and governance (Kolstø 2006, 738), and therefore, equals to its failure.

Since many unrecognized states are often born out of secessionist conflicts, civil war is an inseparable part of de facto states’ existence. However, unrecognized entities fail as a result of armed conflict not only when they are absorbed into the parent state – and thus lose their de facto independence – but also when civil war violence cripples socioeconomic development of a de facto state and precipitates its failure. The most obvious examples of separatist entities failing in their development as a result of armed violence are Tamil Eelam, East Timor, Mindanao, South Sudan, and Chechnya. Not all of these entities are de facto states *sensu stricto* and not all of them were incorporated in their respective parent states owing to conflict-incurred weaknesses, but all had been weakened by armed conflict with the parent states, which was one of key causes of their failure.

Along with conflicts that de facto states fight with parent states, separatist entities might engage in internal conflicts within their own territories. In-fighting in South Sudan, Chechnya, as well as in Katanga have weakened these entities as much or even more than confrontations with their parent states. Weakened by internal armed conflicts, de facto states might either succumb to an invasion by parent state or fail in governance and economic development.

Although the majority of de facto entities tend to experience armed conflicts at different (mostly early) periods of their existence, conflict violence alone is rarely the cause of de facto statehood failure. Rather, there is an interplay of factors which might be held accountable for the failure, which occur alongside armed violence or before and after.

### *Economic deficiencies*

Few cases of state failure occur without economic collapse. Whilst some states tend to fail exclusively due to conflict-related causes, in the majority of cases, economic deficiencies either accompany failure or precede it (Iqbal and Starr 2015, 52–54). Bearing in mind that in contrast to sovereign states, de facto states and separatist entities in general usually tend to lack developed industrial bases and have little or no experience of economic production, they are even more vulnerable to economic collapse than recognized states. Even for resource rich secessionist territories, such as Biafra, Katanga, South Sudan, and many others, access to rich mineral resources did not guarantee economic security. Since many resource-rich provinces are used as mere sites of resource extraction, they rarely have appropriate industrial facilities needed to process and store fossil fuels and other natural resources.

Absence of a patron state willing to subsidize a territory under the actual control of rebel or separatist forces, presents an insurmountable challenge for newly-minted separatist entities. Lacking constant funding from a patron state, such as that provided by Russia to South Ossetia, Abkhazia, and the eastern Ukrainian de facto states, many polities of this kind transform into hubs of drug trade, smuggling, poaching, trade in illicit goods and items (for example, endangered wildlife), and human trafficking. Whilst the territory under the control of the United Wa State Army (Myanmar) is renowned for its trade in protected wildlife (BBC 2016), two other of Myanmar's separatist entities – Karen and Kachin states – are notorious for drug production and illicit trade in gems and timber. Tamil Eelam procured significant portion of its funding from the extortion of taxes from Tamil Diasporas abroad (Wayland 2004).

The lack of international recognition further limits the de facto states' opportunities to receive economic aid from abroad and reduces their legal financial interactions with the rest of the world. As unrecognized territories, de facto states are not entitled to economic assistance from international financial institutions, such as the World Bank or International Monetary Fund. Most international banks, companies, and organizations tend to avoid dealing with de facto states and normally maintain no presence on their territory. Not only de facto states are deprived of opportunities to trade internationally, but, often due to the pressure from the parent

state, are unable to even trade with their neighbours. Whilst most de facto territories lack industrial bases, limited opportunities to export their production legally further decrease the de facto states' chances to develop their industries.

All of the above suggests that from the moment of their inception, many de facto states remain highly vulnerable to economic downfall. Faced with economic collapse, de facto entities would be unable to provide basic public goods to the population and might find their military disintegrate into factions along tribal, sectarian, or ethnic divisions. Economic collapse would also enable the parent state to wage effective financial and trade blockade of its breakaway regions. Above all, the inability of the de facto states' leadership to demonstrate to the population that their nation-building project is not sustainable is a precursor of state failure.

### *Tribalism*

In many secessionist conflicts, clan and/or tribal identities are amongst the key sub-ethnic forms of fractionalization (Cederman et al. 2010) and violent conflict mobilization (Souleimanov and Aliyev 2015). Whilst for some de facto entities – particularly in post-communist Eastern Europe – clan divisions persist along oligarchic interests, or geographical origins of individuals (Donetsk clan) (Aliyev 2017; Kuzio 2014), for many other societies, clans are embedded in tribal and ethnic structures. Given that both clan- and tribe-based divisions entail fractionalization into relatively small groups of individuals – as opposed to ethnicity-centred factionalism – it is potentially detrimental to both nation- and state-building processes. As soon as the de facto state's nation-building project becomes hijacked by clan and tribal interests, popular mobilization and nationalist awareness may easily turn into clan infighting. Inter-clan and tribal tensions may not only undermine nation-building, but might also weaken de facto state's armed forces and scare off external patrons.

Some de facto states (for example, Somaliland) have managed to avoid clan and tribal fractionalization due to effective inter-clan consensus building. However, even in this Somalian polity, nation-building processes have not succeeded in overcoming clan and tribal identities in politics (Ahmed 1999). For other de facto states, clan and tribal divisions have proven deadly. The Katanga state in eastern Congo, as well as Nigeria's Biafra, are amongst the examples of de facto states weakened by tribal divisions. In both cases, clannish and tribal disputes heavily contributed to the collapse of these entities and their forceful incorporation into the respective parent state. Tribalism has proven dangerous even for those separatist entities, which have, after a period of civil and ethnic warfare, successfully achieved

international recognition. The ongoing civil war between Dinka and Nuer tribes in the newly minted state of South Sudan is an example of tribalism's impact on secessionist entities. Kosovo is yet another case of a recently recognized state with a deeply rooted clan conflict (Kaltcheva 2009).

### *Warlordism*

The rise and competition for power of influential warlords, although often closely intertwined with tribalism, might prove even more deadly for de facto states. Conflicts amongst rebel commanders and various rebel factions are a well-known phenomenon in civil war studies (Fjelde and Nilsson 2012). Whilst research on warlordism in de facto states is limited, conflict amongst warlords following an effective secessionist campaign are very likely to occur. Conflicts between warlords belonging to the same rebel organization become particularly acute when external threat either disappears or becomes less imminent. In-fighting within Sudan People's Liberation Army (SPLA) followed in 2013, just two years after South Sudan's independence, and rapidly developed in a full-scale civil war between two prominent ex-warlords, president Salva Kiir and his deputy Riek Machar. Although South Sudan's civil conflict is fought over tribal divisions, power struggle of influential warlords had been instrumental towards the split within SPLA. In the same vein, warlordism has had a significant divisive effect on the collapse of Tamil Eelam (Stokke 2006).

The threat of warlordism is particularly destructive for newly emerged de facto states, with a recent history of civil war and the lack of economic prospects for rebel fighters. The inability of de facto states' leadership to provide employment opportunities for former rebels, either in security forces or beyond, enables warlords to keep their private armed forces and to rely on them in power struggles. Due to the potentially divisive role of power-seeking warlords in weak and fragile states, literature on state failure tends to closely associate warlordism with state failure (Rotberg 2010; Malejacq 2016).

### *Ideological fractionalization*

The emergence of splinter groups with more radical ideology than the parent organization has been a feature of many insurgent organizations (O'Ballance 1981; Silke 1998). Governments of newly-emerged de facto entities are often composed of a wide diversity of former rebel groups, characterized not only by ethnic, tribal, and clan-based divisions, but also by ideological boundaries. Although ideological rifts within de facto states might be embedded in

ethnic divisions, tribalism, and warlordism, this form of fractionalization is best characterized by divisions along religious-sectarian or political lines. Bearing in mind that state ideology is crucial for the effective nation-building, failure of de facto leadership to reconcile ideological differences may endanger the entire state-building project. Simply because ideological conflicts may involve larger numbers of participants and develop higher degrees of radicalization, these conflicts might prove far more serious and consequential than tribal infighting, or warlord disagreements. Resolving ideological conflicts might also prove a much harder task than settling tribal or individual disagreements. Ideological rifts had been instrumental towards state fragility and failure in many parts of the world. Sectarian conflicts in Iraq, Syria, Yemen, religion-fuelled civil wars in Central African Republic and northern Nigeria, as well as south Thailand and Myanmar's Rohingya insurgencies, are amongst the examples of state failure cases induced by ideological fractionalization.

Similarly to sovereign states, separatist polities are susceptible to ideological conflicts. Split within Moro National Liberation Front (MNLF) – an organization controlling the de facto independent Autonomous Region of Muslim Mindanao, or ARMM, in the Philippines – contributed to the emergence of more ideologically-centred Moro Islamic Liberation Front (MILF), as well as the al-Qaeda affiliated Abu Sayyaf group. The emergence of MILF, and particularly, of the radical Islamist Abu Sayyaf group, had been detrimental for the ARMM's autonomy and significantly limited its chances of either international recognition or cessation from the Philippines.

### ***1.1.2 Conclusion***

This chapter provided theoretically-grounded analysis of de facto states' failure, which along with broadly studied, also includes a number of several least explored causes of de facto state failure. The emphasis on tribal, ideological and factional divisions, along with economic challenges and armed conflicts, is highly relevant for developing states, many of which have colonial legacy. Bearing in mind that addressing the above challenges is crucial for the effective functioning of sovereign states, internal divisions and weaknesses might be expected to have even stronger impact on unrecognized polities. Despite various factors enabling them to survive pressure from the parent state, and, in some cases from the international community, many de facto states remain vulnerable to internally-generated shocks. Divisions and conflicts within de facto states may prove to be as damaging to their survival as direct military invasion by a parent state. Similarly to recognized states, for de facto entities failure does not equal disappearance. However, internal cleavages are likely to weaken a de facto state and to

precipitate its incorporation into the parent state. Further research is needed in order to understand the role of internal factors in de facto statehood failure. Explaining how domestic challenges affect the survival and persistence of de facto entities and how these factor interact with external shocks might shed more light on relatively under-explored process of de facto state failure.

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