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As A Matter De Facto: State Capacity Dynamics And Their Role In Shaping Sovereignty For Unrecognized States

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Abstract

What explains de facto states that do not pursue statehood? Why do we see examples of unrecognized states pushing for reintegration after a period of time? Why do some de facto states seem content with the status quo?

Previous examination of de facto state strategies highlighted the role that the international system plays in granting independence. For the most part, de facto states, by default secessionist movements who have sundered from the parent state, are unlikely to be granted independence by the very system which holds a taboo against secession. The exceptions to this came after a long time of sustained campaigning, in addition to gross human rights violations. Current explanations for de facto states still in limbo hedge on other states playing the most important role. These explanations are incomplete. For de facto states that have signaled their desire for reintegration or the states, it is useful to examine not only internal dynamics within the unrecognized state, but also the de facto state – parent state dynamic.

In this dissertation, I analyze the role that relative state capacity plays in shaping preferences for de facto states, whether that be for reintegration, status quo, or independence. My dissertation contributes to the burgeoning literature on de facto statehood in a variety of ways. First, I contribute by challenging the idea that unrecognized states automatically prefer independence. My case studies point to a variety of preferences that exist along the spectrum of de facto states. Northern Cyprus shows an example of an established de facto state that pushed for reintegration with the very parent state that assured it did not have a role in the international system. The case of Taiwan displays an example of an economic powerhouse that treads the line of status quo acceptance, and the role that their state capacity relative to the parent state plays in

that. Finally, Somaliland is a case of a de facto state preferring independence, despite having no patron state and an uphill climb to establish adequate state building.

Second, I present a theoretical framework that incorporates state capacity of the de facto state and the parent state. Specifically, I lay out that the balance of state capacity between both parties shapes preferences for either reintegration, status quo, or independence. Furthermore, state capacity is dissected down into three constituent parts: military capacity, economic capacity, and administrative capacity. I directly compare the military, economic, and administrative capacity of each de facto-parent state dyad, using numerous indicators. By systematically comparing the state capacity of de facto states and parent states, my dissertation offers an additional and necessary examination into de facto states and their outlook towards their sovereignty.

As a Matter De Facto: State Capacity Dynamics and their Role in Shaping Sovereignty for Unrecognized States

by

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B.A., The University of Alabama, 2015
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Dissertation
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Doctor of Philosophy in Political Science.

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Chapter 1: Introduction

My primary research focus centers around de facto states (also called unrecognized states). De facto states are areas that have declared independence from a central government, but do not hold international recognition. All were preceded by a civil war, or an insurgency, where the "rebels" held on to territory after the conflict came to an end. Some examples of de facto states include Taiwan, Northern Cyprus, Somaliland, Nagorno-Karabakh, South Ossetia, and Transnistria. De facto states may be rare on the international stage, but their importance can inform questions on overarching big picture concepts, such as democracy, great power competition, the future of secessionist movements, and counterterrorism, to name a few.

The expectation is that de facto states will vie for statehood. If this is the case, why do we see examples of de facto states not vying for statehood? What made Northern Cyprus agree to a plan that would create a federated state with Cyprus? Why does Taiwan practice a policy of deliberate ambiguity, which aims to keep the status quo as long as possible? Why has Somaliland pursued independence, despite no patron? My central question is: Under what conditions do de facto states choose to forgo statehood? This can be broken down into two separate categories:

1) Under what conditions do de facto states seek reintegration?

2) Under what conditions do de facto states seek the status quo?

I use state capacity as my main independent variable. Ceteris paribus, higher state capacity means that the territory in question is strong in military capacity, economic capacity,

and administrative function. My theory posits that if a de facto state is stronger than a parent state, taking all types of state capacity into account, pursuing statehood is a likely strategy. The de facto state has reason to push for recognition. If the parent state is comparatively stronger than a de facto state, reintegration is a likely strategy. The de facto state may realize that further conflict and isolation is likely if they continue to grow weaker than the parent state, and may be open to the idea of autonomy within the old state, instead of continuing to hold out for an unlikely scenario. If they are relatively equal, status quo is the most likely strategy for the time being.

The purpose of this dissertation is to provide a comprehensive comparison of state capacity between three dyads of de facto state – parent state. It seeks to advance knowledge in the field by directly comparing measurements of state capacity between de facto states and their respective parent. Previous studies have mapped out the state capacity of existing de facto states, and have, to some extent, measured this against the parent state, but this has mostly focused on military power. I seek to expand beyond a measure of military capacity. My project seeks to give a comparison across three dimensions of state capacity: military capacity, economic capacity, and administrative capacity. In doing this, I look to provide examples of de facto states that do not pursue independence and look to answer the question: under what conditions do unrecognized states forgo independence? The theory rests on the hypothesis that de facto states that do not have relatively higher state capacity that their parent state cannot afford to pursue independence due to capacity constraints, therefore their strategies will differ. That lower capacity states would not automatically consider independence is not as obvious as it might seem

at first glance. For example, Horowitz notes that some states pursue independence even when they are weak(er) and likely to be worse off afterwards.[1]

To do this, I employ three cases. The first case, the Turkish Republic of Northern Cyprus (TRNC, hereafter referred to as Northern Cyprus), presents a situation in which the de facto state has a lower state capacity compared to the parent state (the Republic of Cyprus). This chapter examines and compares the state capacity of both across three dimensions. Northern Cyprus' lower state capacity can be viewed as one of many reasons why the population, and subsequent elected leaders, chose to support reunification with the Republic of Cyprus in 2004 (the Greek Cypriots did not vote for reunification, so this was not implemented). The second case, Taiwan, or the Republic of China, presents a situation of continuing the status quo. Taiwan's current standing when compared to the People's Republic of China is tricky to measure, especially in light of China's rising power and influence on the world stage. However, when it comes to strictly domestic state capacity comparisons, Taiwan is neither stronger nor weaker than China, for now. The third case is the unrecognized case of Somaliland. Here, the purpose of this chapter is to give an example of a "typical" de facto state, where the territory in question seeks to advance its cause for independence.[2] In all state capacity measures, Somaliland beats out the parent state, Somalia.

I use the three mentioned case studies for a variety of reasons. First, the universe of de facto states is small, and the number of agreed upon number of de facto states is controversial, with the numbers ranging from six to thirty-four potential cases. The cases selected are popularly agreed upon cases within the de facto state universe, and the puzzle of interest lies within these

[1] Donald L. Horowitz, *Ethnic Groups in Conflict* (University of California Press, 1985).
[2] I use "typical" to refer to the perception that a de facto state, which begins as a secessionist conflict, will likely continue its quest to pursue international recognition.

cases to better explain the overall phenomenon of forgoing statehood [3]. Second, they are relatively long lasting, and are not in an active conflict phase. Northern Cyprus was separated from the south in 1974 and declared independence in 1983. Taiwan lost its United Nations seat in 1971. Somaliland became a de facto state in 1991. This means that the three cases are between 30 and 50 years, which provides enough time to track the development of the de facto state.

The order of the dissertation proceeds as follows. The rest of this chapter will introduce the concept of de facto states, what they are, and how they matter. Chapter 2, the theory chapter, lays out existing literature in the subfield of de facto states, as well as how the notion of state capacity is conceived of in political science. I then delve into my research design, namely: my rationale for case selection, external validity, and data collection. Then, I propose my hypothesis and model, which seeks to answer the question: Under what conditions do de facto states forgo statehood? My model, a simple diagram, lays this out in a clear and concise manner. I expect de facto states with a lower state capacity than the parent state to forgo independence in favor of reunification. This is the case of Northern Cyprus, where the 2004 referendum for reunification of the island, also known as the Annan Plan (after the UN Secretary General) represents a clear mandate for reunification with the Republic of Cyprus. The next part of the diagram corresponds to de facto states looking to maintain the status quo, such as Taiwan. In this case, the expectation is for relatively equal state capacities between the de facto state and parent state. In other words, neither one has an overwhelming advantage or disadvantage at this point in time. Finally, the third leg of the diagram is when the de facto states have an advantage over the parent state in

[3] Jason Seawright and John Gerring, "Case Selection Techniques in Case Study Research," *Political Research Quarterly* 61, no. 2 (June 9, 2008): 294–308, https://doi.org/10.1177/1065912907313077, p. 299.

regard to state capacity—in other words, is stronger. Here I use the case of Somaliland and Somalia.

The rest of the theory chapter proceeds to break down the concept of state capacity. In this dissertation, state capacity is not merely one concept, but is broken down into three separate facets: military capacity, economic capacity, and administrative capacity. Military capacity measures the (de facto) state's ability to control territory, the monopoly on violence, and provide security to its population. For de facto states, a premium is placed on military capacity. After all, as unrecognized states, their ability to exist rests depends on how long they control territory. Economic capacity is the second category, and it measures the states' ability to collect revenue and fund the necessary state functions. Administrative capacity looks to examine the presence and quality of government institutions that serve the population. Additionally, I explain the role of patron states, who are crucial in bolstering the state capacity of de facto states. Patron states mostly issue support militarily and economically, making them vital in measuring state capacity. After the state capacity breakdown, I introduce alternative explanations. Alternative explanations for de facto state preferences include identity arguments, as well as international system factors. Finally, I close out the theory chapter by summarizing the main points.

In chapter 3, the discussion centers around the first case study, Northern Cyprus. The overwhelming vote for the Annan Plan in 2004 makes it clear that reintegration was the preferred option for the general population and the political leaders. Could the relative state capacity between Northern Cyprus and the Republic of Cyprus played a role? The evidence shows that despite Northern Cyprus' military superiority (largely due to Turkey's patronage), residents in the north on average had a lower economic and administrative capacity outlook than neighbors to the south of the island. While the Republic of Cyprus slid into high-income territory, Turkish

Cypriots had a middling island economy at best. Compounded by this was the fact that the south's decades-long embargo meant that Northern Cyprus had to reroute all trade through Turkey and rely on the tourism and education sectors. Furthermore, with Turkey the only state recognizing Northern Cyprus, it took many years to build relationships with other states. Adding to the mix was the enticement of joining the European Union, which had already been promised the Greek Cypriots. This created the perfect environment for Turkish Cypriots to cast their vote for a plan that would have reunited the island under one flag. The referendum did not pass due to the clear rejection by the Greek Cypriot portion of the island, but it represented a watershed moment in the history of the de facto state.

Chapter 4 focuses on the case of Taiwan, and the current strategy to keep within the status quo. While Taiwan is currently recognized by seventeen countries, scholars of the field still refer to it as a de facto state, though often with an asterisk. Military, Taiwan stays afloat and barely at parity with China only with the aid of the United States, but this could change in the future. Once again, Taiwan is able to maintain military might due to promises and aid from its patron, the United States. For economic and administrative capacity, China's larger economy means it more to draw from, but Taiwan wins out in most quality-of-life indicators. Unlike other de facto states that struggle to be recognized by other countries, Taiwan boasts embassies in several states around the world, as well as consulates where it is not officially recognized. However, China has recently been successful in its derecognition campaign, already convincing several states to switch allegiances from Taiwan to China. I posit that Taiwan's status quo strategy stems from the desire to both assert independence and a different way of life from the People's Republic of China, while also taking note of the fact that a declaration of independence would inflame the already tense situation over Taiwan's status. China repeatedly asserted its intention to bring

Taiwan into the fold, peacefully or otherwise. While past Taiwanese leaders differed in their desired closeness to its neighbors across the Strait, it was all within the bounds of maintaining Taiwan's de facto sovereignty.

In chapter 5, I examine the case of Somaliland, which unlike the previous two case studies, is pursuing independence despite its unrecognized status. Somaliland's pursuit of independence stands in stark contrast to Northern Cyprus' 2004 vote, or to Taiwan's balancing act of status quo. The theory I propose states that de facto states with higher relative state capacity to the parent state are more likely to pursue independence, as opposed to reintegration, status quo, or another strategy. In terms of state capacity, Somaliland outshines Somalia in military, economic, and administrative terms. This is made more remarkable by the fact that unlike many de facto states, Somaliland has no patron. Somaliland, despite little help from other states and donors, has built a secure haven in the Horn of Africa region, battling both Al-Shabaab and piracy off the coast. The first decade post conflict was spent ensuring this security, but recent developments have improved government institutions in Somaliland, as well as the economic outlook of the territory. Comparatively, Somalia still battles with the most essential of government functions—securing territory and protecting populations. Despite aid from the international community, Somalia is frequently categorized as a "failed state". It is not surprising that that Somaliland has easily surpassed Somalia in nearly all measures of state building and effectiveness.

Finally, chapter 6 concludes this dissertation. Here, I recap the previous chapters, lay out the argument, and summarize the evidence. After, I pose policy considerations for both American and international stakeholders, focusing on the future of unrecognized states, especially considering their longevity, stability, and governance institutions. I also point to future areas of concern, notably Northern Cyprus's role in the Eastern Mediterranean oil crisis, Taiwan's future

in light of China's ascent, and what the United States may play in this tense situation. Somaliland's future, while not set in stone, seems on the up and up, and I consider what implications this could have on its recognition status. While few de facto states make the jump to recognized statehood, the last two have been on the African continent: Eritrea, and South Sudan. With Somaliland having a different colonial history than its parent state, Somalia, could it be the next de facto state to receive recognition?

Why do De Facto States Matter?

Policymakers may look at the problem of de facto states and decide that they are simply frozen conflicts with little possibility for resolution. At first glance, this assumption seems to be correct. However, I argue that de facto states pose far more value than their current reputation gives away.

For one, de facto states have impressive democratization efforts. Trying to vie for legitimacy and curry favor, especially from the West, some de facto states have figured out that building democratic institutions is one way to do that. Below, I present visualizations of Freedom House scores, which track political rights and civil liberties. The charts compare the Freedom House scores between the parent state and the de facto state. It is worth noting that Freedom House tracks political and civil liberties on a 1 to 7 scale, with one being the freest, and 7 being the least free. The categorical ranges are: "Free", "Partly Free", and "Not Free", which overall corresponds to the most amount of political and civil liberties, some political and civil liberties, and little to no political civil liberties.

For the time period between 2002-2019, Northern Cyprus maintained a "Free" rating from Freedom House, due to its democratic multiparty system, and respect for civil liberties.[4] The case of Northern Cyprus is another example of successful democratic institutions being established on a de facto state. Northern Cyprus maintains a "Free" rating throughout, only scoring slightly worse that its parent state Cyprus, which also managed a "Free" rating.

In 2/3 of the above cases, the de facto state boasted higher Freedom House scores, which measures political and civil liberties specifically. For Taiwan and China, the differences are stark, with Taiwan showing all the trappings of a democracy, and consistently being rated as "Free". China, in contrast, is consistently rated "Not Free", and receives the second lowest score available. In the case of Somaliland and Somalia, Somaliland has consistently achieved a "Partly Free" rating since Freedom House began reporting on the unrecognized state, which denotes some political and civil liberties are present, although there is still work to be done to achieve a "Free" rating. Somalia is rated as "Not Free" throughout, and the lack of authority and rights means that it receives the lowest score available.

[4] Freedom House, "Northern Cyprus Country Report", https://web.archive.org/web/20200828014335/https://freedomhouse.org/country/northern-cyprus/freedom-world/2019.

Table 1.1: Northern Cyprus and Cyprus Freedom House Scores[5]

Year	N. Cyprus Score	N. Cyprus Description	Cyprus Score	Cyprus Description
2019	2.0	Free	1.0	Free
2018	2.0	Free	1.0	Free
2017	2.0	Free	1.0	Free
2016	2.0	Free	1.0	Free
2015	2.0	Free	1.0	Free
2014	2.0	Free	1.0	Free
2013	2.0	Free	1.0	Free
2012	2.0	Free	1.0	Free
2011	2.0	Free	1.0	Free
2010	2.0	Free	1.0	Free
2009	2.0	Free	1.0	Free
2008	2.0	Free	1.0	Free
2007	2.0	Free	1.0	Free
2006	2.0	Free	1.0	Free
2005	2.0	Free	1.0	Free
2004	2.0	Free	1.0	Free
2003	2.0	Free	1.0	Free
2002	2.0	Free	1.0	Free

[5] [5] Freedom House scoring ranges from 1 to 7, with 1 being the freest, and 7 being the least free. Freedom House, "Northern Cyprus Country Report," 2019, https://web.archive.org/web/20200828014335/https://freedomhouse.org/country/northern-cyprus/freedom-world/2019; Freedom House, "Cyprus," 2019, https://web.archive.org/web/20200828013338/https://freedomhouse.org/country/cyprus/freedom-world/2019.

Table 1.2: Taiwan and China Freedom House Scores[6]

Year	Taiwan Score	Taiwan Description	China Score	China Description
2019	1.0	Free	6.5	Not Free
2018	1.0	Free	6.5	Not Free
2017	1.0	Free	6.5	Not Free
2016	1.5	Free	6.5	Not Free
2015	1.5	Free	6.5	Not Free
2014	1.5	Free	6.5	Not Free
2013	1.5	Free	6.5	Not Free
2012	1.5	Free	6.5	Not Free
2011	1.5	Free	6.5	Not Free
2010	1.5	Free	6.5	Not Free
2009	1.5	Free	6.5	Not Free
2008	1.5	Free	6.5	Not Free
2007	1.5	Free	6.5	Not Free
2006	1.0	Free	6.5	Not Free
2005	1.5	Free	6.5	Not Free
2004	2.0	Free	6.5	Not Free
2003	2.0	Free	6.5	Not Free
2002	1.5	Free	6.5	Not Free
2001	1.5	Free	6.5	Not Free
1999	2.0	Free	6.5	Not Free

[6] Scores not available for the year 2000. Freedom House, "Taiwan Country Report," 2019, https://web.archive.org/web/20200828014006/https://freedomhouse.org/country/taiwan/freedom-world/2019; Freedom House, "China Country Report," 2019, https://web.archive.org/web/20200828013009/https://freedomhouse.org/country/china/freedom-world/2019.

Table 1.3: Somaliland and Somalia Freedom House Scores[7]

Year	Somaliland Score	Somaliland Description	Somalia Score	Somalia Description
2019	4.5	Partly Free	7.0	Not Free
2018	4.5	Partly Free	7.0	Not Free
2017	5.0	Partly Free	7.0	Not Free
2016	5.0	Partly Free	7.0	Not Free
2015	4.5	Partly Free	7.0	Not Free
2014	4.5	Partly Free	7.0	Not Free
2013	4.5	Partly Free	7.0	Not Free
2012	4.5	Partly Free	7.0	Not Free
2011	4.5	Partly Free	7.0	Not Free
2010	5.0	Partly Free	7.0	Not Free
2009	4.5	Partly Free	7.0	Not Free

Another reason that policymakers should look to de facto states is that, for the most part, they are relatively stable and high functioning. Northern Cyprus, despite being unsuccessful in joining the European Union, is relatively stable as an unrecognized state. Despite its close proximity to Turkey and the Middle East, Northern Cyprus has not faced massive refugee problems or terrorism. Taiwan, one of the four "Asian Tigers", boasts an impressive economy and political freedom despite tensions with China. Somaliland has managed to be a bastion against Al-Shabab and piracy, despite the terrorist group ravaging Somalia, and piracy being a

[7] Scores for Somaliland from 1999-2008 are not available. Freedom House, "Somaliland Country Report," 2019, https://web.archive.org/web/20200828012703/https://freedomhouse.org/country/somaliland/freedom-world/2019; Freedom House, "Somalia Country Report," 2019, https://web.archive.org/web/20200828012703/https://freedomhouse.org/country/somaliland/freedom-world/2019.

major issue along the Somali coast.[8] Additionally, other states in the Horn of Africa, such as Djibouti and Ethiopia, rely on Somaliland for stability and security.[9]

While it is difficult to say whether democratization and longstanding stability alone warrant recognition, policymakers and leaders should at least consider engaging more with de facto states, for the purposes of conflict resolution, or even issues unrelated to recognition.[10] A new strand of the de facto state literature studies this exact phenomenon. "Engagement without recognition" is the idea that states can engage with de facto states on various topics without extending recognition.[11] The concept of recognition being so tense and political, this may be a favorable outcome for both parties.

The concept of "engagement without recognition" was first used in academic literature by Cooley and Mitchell in 2010.[12] They devised it as a strategy that could be employed by the West (the United States and the European Union) towards Abkhazia specifically, and Eurasian de facto states in general, in order to counter Russian influence. However, the concept of "engagement without recognition" has been extended by other scholars since then. Berg and Pegg find that the

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[8] Mark Kirk, "Ending Somali Piracy Against American and Allied Shipping," 2011, https://web.archive.org/web/20200828012847/http://piracyreport.com/downloads/kirk.senate.gov_pdfs_KirkReportfinal2.pdf; Eiki Berg and Scott Pegg, "Scrutinizing a Policy of 'Engagement Without Recognition': US Requests for Diplomatic Actions With De Facto States," *Foreign Policy Analysis* 14, no. 3 (2016): p. 396, https://doi.org/10.1093/fpa/orw044; Michael Rubin, "U.S. Africa Policy Cannot Afford to Ignore Somaliland," *The National Interest*, February 26, 2019, https://web.archive.org/web/20200628213849/https://nationalinterest.org/feature/us-africa-policy-cannot-afford-ignore-somaliland-45657.

[9] Berg and Pegg, "Scrutinizing a Policy of 'Engagement Without Recognition': US Requests for Diplomatic Actions With De Facto States.", p. 396.

[10] James Ker-Lindsay, "Engagement without Recognition: The Limits of Diplomatic Interaction with Contested States," *International Affairs* 91, no. 2 (2015): pp. 1–16, https://doi.org/10.1111/1468-2346.12234.

[11] Alexander Cooley and Lincoln A. Mitchell, "Engagement without Recognition: A New Strategy toward Abkhazia and Eurasia's Unrecognized States," *Washington Quarterly* 33, no. 4 (2010): pp. 59–73, https://doi.org/10.1080/0163660X.2010.516183.

[12] This last part is crucial. The purpose of "engagement without recognition" is that states can interact with de facto states on political, economic, social, and cultural issues, while making it clear that an independent status will never be accepted. Cooley and Mitchell, p. 60.

United States has practiced "engagement without recognition" with various de facto states, specifically the Turkish Republic of Northern Cyprus and Somaliland.[13] U.S. officials engaged with de facto state officials in Northern Cyprus following the Annan Plan vote, and with Somaliland officials following the 2008-2010 presidential election crisis.[14] Somaliland is also an important partner against terrorism and piracy in the region, and by engaging with Somaliland, the U.S. helps aid progress in the region.

As to why the U.S. (and the West in general, it could be argued) practices "engagement without recognition", the reasons can be divided into at least two camps: democratization and promoting moderate leaders. In the case of Somaliland, the U.S. wanted to ensure continued democratization and peaceful transfer of power in the region following postponed elections.[15] In Northern Cyprus, the U.S. was keen to support the moderate Republican Turkish Party (CTP, Turkish: Cumhuriyetçi Türk Partisi), whose leader, Prime Minister Mehmet Ali Talat, was pro-solution (reunification). In the same vein, the U.S. wanted Turkish Cypriots not only to embrace the moderate pro-solution party, but to eschew former President Denktaş's rejectionism. All in all, "engagement without recognition" seems to be a practical way for policymakers to work with de facto states, who are usually relegated to the sidelines of the international system. While not endorsing secession, "engagement without recognition" allows other problems to be worked on without the need for recognition.

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[13] Berg and Pegg, "Scrutinizing a Policy of 'Engagement Without Recognition': US Requests for Diplomatic Actions With De Facto States."p. 394.
[14] Berg and Pegg, p. 395; James Ker-Lindsay, "The Stigmatisation of de Facto States: Disapproval and 'Engagement without Recognition,'" *Ethnopolitics* 17, no. 4 (2018): pp. 362–72, https://doi.org/10.1080/17449057.2018.1495363, p. 366.
[15] Berg and Pegg, "Scrutinizing a Policy of 'Engagement Without Recognition': US Requests for Diplomatic Actions With De Facto States.", p. 399.

What Are De Facto States and How Many Exist?

The study of de facto states began definitively in 1998, with the publication of Scott Pegg's International Society and the De Facto State. More than twenty years later, there has been much more scholarly contribution to the subfield, but many areas remain unexplored. One of the central arguments in the subfield remains how to define de facto statehood, and which entities qualify as such.

Pegg defines de facto states as "secessionist entities that control territory, provide governance, receive popular support, and persisted for extended periods of time without widespread recognition.[16] Another way to define de facto states would be to use the criteria set forth by the Montevideo Convention of 1933. The treaty codifies the definition of statehood under international law. Under it, a state is defined as having: (a) a permanent population; (b) a defined territory; (c) government; and (d) capacity to enter into relations with the other states.[17] De facto states should meet these four criteria and lack international recognition to be considered as such. [18]

Another way to conceive of these entities is to note that de facto states meet the criteria of statehood, but do not possess legal recognition, or de jure statehood. De jure statehood, or juridical statehood, refers to the legal recognition of a state by other states, while de facto statehood, or empirical statehood, refers to fulfilling the roles and actions of a state.[19] By

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[16] Scott Pegg, "Twenty Years of de Facto State Studies: Progress, Problems, and Prospects," *Oxford Research Encyclopedia of Politics*, 2017, p. 2.
[17] "Convention on Rights and Duties of States Adopted by the Seventh International Conference of American States," *United Nations* (Montevideo, 1933), https://web.archive.org/web/20200805142606/https://treaties.un.org/pages/showDetails.aspx?objid=0800000280166aef.
[18] Raul Toomla, "Charting Informal Engagement between de Facto States: A Quantitative Analysis," *Space and Polity* 20, no. 3 (September 1, 2016): pp. 330–45, p.331.
[19] Robert H Jackson and Carl G Rosberg, "Why Africa's Weak States Persist: The Empirical and the Juridical in Statehood," *World Politics* 35, no. 1 (1982): pp. 1–24, pp. 2-3.

violating de jure borders, while also seeking to exhibit the appearance and behaviors of a state, de facto states pose a paradox and anomaly to the international system that is dominated by sovereign states.[20] Figure 1.1, below, places territories according to their empirical and juridical statehoods. Recognized states that fulfill the role of the state, such as the Republic of Cyprus and China, go into the top left box. Recognized states that do not fulfill the role of the state, otherwise known as failed states, go into the bottom left box, like Somalia. De facto states, which do not possess juridical statehood but do have empirical statehood, go into the top right box. Entities with no juridical or empirical statehood are likely not viable and beyond the scope of this project.

Figure 1.1: Empirical vs. Juridical Statehood[21]

Empirical Statehood	Juridical Statehood: Yes	Juridical Statehood: No
Yes	Cyprus, China	Northern Cyprus, Taiwan, Somaliland
No	Somalia	N/A

[20] Laurence Broers, "Recognising Politics in Unrecognised States: 20 Years of Enquiry into the de Facto States of the South Caucasus," *Caucasus Survey* 1, no. 1 (2013): pp. 59–74, p. 59.
[21] Based on Jackson and Rosberg 1982 criteria.

Pegg's definition of de facto statehood may have been the first but was certainly not the last definition put forth. Caspersen posits that in order to be considered a de facto state, the entity must "control at least two-thirds of the territory they claim, including the territory's main city and key regions".[22] Byman and King suggest that there must be a shared interest for independence, which would disqualify groups merely seeking more autonomy.[23] Florea's definition has seven criteria.[24]

1. Belongs to a recognized country under international law, but not a colony
2. Has declared independence or demonstrated willingness for independence through a referendum or similar action
3. Exerts military control over a territory that has a permanent population
4. Is not sanctioned by the government
5. Performs basic government duties (empirical statehood)
6. Lacks international recognition
7. Exists for at least 2 years

It is also important to delineate what a de facto state is not. It is not an autonomous region in a federation, such as Catalonia. While it can be argued that Catalonia (and other autonomous regions) possesses an interest in independence, it does not operate separately as a state, and is in fact still very much a part of Spain. Autonomous regions within a state cannot be classified as de

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[22] Notably, this would eliminate Western Sahara, which only controls about fifteen percent of the territory they claim. Nina Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System* (Cambridge, UK: Polity Press, 2012), pp. 8-9.
[23] Daniel Byman and Charles King, "The Mystery of Phantom States," *Washington Quarterly* 35, no. 3 (August 2012): pp. 43–57, p. 45.
[24] Adrian Florea, "De Facto States in International Politics (1945-2011): A New Data Set," *International Interactions* 40, no. 5 (2014): pp. 788–811, pp. 791-792.

facto states because they still function within the confines of the original state. Other instances, like anti-government rebels such also do not qualify for de facto statehood because while anti-government rebels in various states may hold territory, their goal is to overthrow the existing government, not create a newly independent state.[25] If a de facto state is successful in its creation, there will be two territories where there was once one.

While the various definitions of de facto statehood are fairly similar, scholars have a more difficult time agreeing to how many exist, and Table 1.4 below illustrates this. At the low end, Kolstø and Paukovic count a dozen, with six still currently in existence.[26] Caspersen counts fifteen, plus the two borderline cases of Kosovo and Taiwan.[27] Florea counts thirty-four, with eighteen surviving until the end of 2011 (when the dataset ends). While this debate is contentious and ongoing, for the purposes of this dissertation I will use Florea's definition of a de facto state. Florea's definition allows for a greater number of cases, which is useful in examining internal dynamics of these entities. Furthermore, his definition includes specific examples of what does not constitute a de facto state, which addresses questions about boundaries and delineation. To further expand on how scholars of de facto states count the universe of cases, Tables 1.5 – 1.8 show where they agree and diverge on what is considered a de facto state. Furthermore, each table corresponds to the type of de facto state. Table 1.5 focuses on former de facto states that were forcefully reintegrated back into the de facto state. Table 1.6 focuses on former de facto

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[25] Florea, p. 792.
[26] Current de facto states: Northern Cyprus, Somaliland, Nagorno-Karabakh, Transnistria, South Ossetia, Abkhazia. Historical de facto states: Katanga, Biafra, Ichkeria, Tamil Eelam, Republika Srpska. Pål Kolstø and Davor Paukovic, "The Short and Brutish Life of Republika Srpska Krajina: Failure of a De Facto State," *Ethnopolitics* 13, no. 4 (2014): pp. 309–27, p. 310.
[27] Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System,* p. 12.

states that agreed to reintegrate. Table 1.7 is the list of de facto states currently in existence.

Finally, Table 1.8 lists former de facto states that were granted statehood.

Table 1.4: Number of De Facto States, by Scholar

Scholar and Year	Number of Total De Facto States
Kolstø and Paukovic (2014)	12
Caspersen (2012)	15 + 2 borderline
Florea (2014)	34

Table 1.5: Former De Facto States with Forceful Reintegration [28]

Katanga	Kolstø and Paukovic, Florea
Biafra	Kolstø and Paukovic, Florea
Krajina	Caspersen, Florea
Chechnya	Kolstø and Paukovic, Caspersen, Florea
Anjouan	Florea
Tamil Eelam	Kolstø and Paukovic, Caspersen, Florea

Table 1.6: Former De Facto States with Peaceful Reintegration[29]

Rwenzururu Kingdom	Florea
Gagauzia	Caspersen, Florea
Bougainville[30]	Caspersen, Florea
Eastern Slavonia	Florea
Ajaria	Florea
Aceh	Florea

[28] Florea, "De Facto States in International Politics (1945-2011): A New Data Set.", p. 793.
[29] Peaceful reintegration denotes a peace agreements or mutual agreement by both the de facto state and parent state to reintegrate. It does not mean the independence movement itself was peaceful.
[30] In 2019, Bougainville voted overwhelmingly for independence in a non-binding referendum mandated by the peace agreement. Therefore, it is likely that Bougainville will move from this category into one that denotes having achieved independence.

Table 1.7: Current De Facto States

Karen State	Florea
Kachin State	Florea
Taiwan	Caspersen[31], Florea
Mindanao	Florea
Northern Cyprus	Kolstø and Paukovic, Caspersen, Florea
Western Sahara	Florea
Cabinda	Florea
Casamance	Florea
Abkhazia	Kolstø and Paukovic, Caspersen, Florea
Kurdistan	Caspersen, Florea
Nagorno-Karabakh	Caspersen, Florea
Puntland	Florea
Somaliland	Kolstø and Paukovic, Caspersen, Florea
South Ossetia	Kolstø and Paukovic, Caspersen, Florea
Transnistria	Kolstø and Paukovic, Caspersen, Florea
Republika Srpska	Kolstø and Paukovic, Caspersen, Florea
Palestine	Florea
Gaza	Florea

Table 1.8: Former De Facto States, Now Independent States

Eritrea	Caspersen, Florea
East Timor	Florea
Montenegro	Caspersen
Kosovo	Caspersen[32], Florea
South Sudan	Florea

[31] Borderline.
[32] Borderline.

Project Overview

In 2004, Turkish Cypriots voted overwhelmingly to become a federal state with their Greek Cypriot counterparts. In 2020, the area known as Somaliland marked its 29th year of declared independence from Somalia, but the issue of sovereign statehood has not yet been resolved. In early 2020, Taiwan voted overwhelmingly to elect reelect a pro-independence candidate, even though a declaration of independence seems unlikely anytime soon. What do all of these areas have in common? At one point, they all declared independence from their country or established a separate government. They were states without recognition, otherwise known as de facto states, or unrecognized states. The trajectories of the de facto states listed above however, are very different. The purpose of this dissertation is to examine these varied trajectories, using relative state capacity of the de facto state and parent state to explain one part of the puzzle.

This project examines strategies of de facto states by asking the question: Under what conditions do de facto states forgo independence? The puzzle here concerns the expectation that de facto states will vie for statehood versus the reality of foregoing statehood in certain situations. Moreover, what explains the variations in goals for de facto states, noting that foregoing independence is just one of the outcomes? Having already been severed and sundered from the principle state, de facto states are alone and often marginalized by the international community. One would think that the benefits of statehood and recognition means that de facto states work tirelessly to try to be recognized. However, we see very specific instances of de facto states deliberately choosing either reintegration to the parent state, or continued status quo in the face of public support for independence. Specifically, I look at the case of Northern Cyprus in the run-up to the Annan Plan vote in 2004, where the public and the center-left opposition

mounted a successful campaign and voted to reintegrate with the Republic of Cyprus. I also look at Taiwan, which practices a policy of "deliberate ambiguity" that seeks to keep the status quo as long as possible, despite support to declare independence. Additionally, I examine the case of Somaliland, which serves as a "typical" case study, where the de facto state continues to push for independence.[33] Each de facto state has a corresponding parent state, as seen in Table 1.4. For Northern Cyprus, the parent state is the Republic of Cyprus, for Taiwan, the parent state is China, and for Somaliland, the parent state is Somalia.

Table 1.9: De Facto States and Parent States

De Facto State	Parent State
Northern Cyprus	Republic of Cyprus
Taiwan	China
Somaliland	Somalia

In cases where original demands for statehood can change to other preferences, what are the underlying conditions that explain their strategy? I theorize that an important explanation for these deviations from the expected strategy lies in the relative level of state capacity between the de facto state and the parent state. Namely, an unequal balance in favor of the parent state would make it more likely that the de facto state favors reintegration (Northern Cyprus), while an unequal balance in favor of the de facto state would make it more likely that the de facto state favors independence (Somaliland). A relatively equal balance, as in the case of Taiwan, would favor a strategy of keeping the status quo.

[33] Interestingly, of the three proposed cases, Somaliland is the only de facto state *without* a patron, yet is the only one of the three to be ardently pro-independence.

Chapter 2: Theory

Under what conditions do de facto states forego the pursuit of statehood? This is the main question I tackle in this dissertation. This puzzle exists because de facto states are at their core, secessionist movements that managed to successfully deter their parent state, and control territory and populations (for at least two years). Most de facto state births are the result of civil conflict: Abkhazia, South Ossetia, Nagorno-Karabakh, Northern Cyprus, Taiwan, and Somaliland are just a few examples where conflict preceded separation.[34] We would expect these entities to continue to push for independence for various reasons. First, the benefits of statehood are high. The exclusive club of states comes with perks like trade within the international system, and a (somewhat) stable norm of sovereignty. Second, independence would bring a final dissolution from the parent state, where tensions usually remain from a painful past. In the Georgian de facto states of Abkhazia and South Ossetia, both allege grievances of ethnic cleansing. Somaliland points to the atrocities committed by the Barre regime to justify their separation. Northern Cyprus harkens back to the mid 20th century, where the Greek majority disenfranchised their Turkish counterparts on the island. Despite these examples, some of these very de facto states have changed preferences over time, and independence is no longer the short-term goal. Why does this occur? Using comparative state capacity, this is what I attempt to answer in this dissertation.

I use three cases of comparison to illustrate various scenarios. The first empirical chapter looks at the case of Northern Cyprus and their vote to reintegrate with the Republic of Cyprus.

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[34] For further reading on secessionist movements and tactics against home state rule, see: Ryan Griffiths, *The Sovereignty Game: Secessionist Strategy and Tactics in the International System* (Cornell University Press, 2021). Specifically, one type of secessionist movement that Griffiths notes concerns de facto states, who rely on their governance and functionality to attempt to convince the international system for independence, since the parent state is closed off to them.

The second case looks at Taiwan and seeks to answer why they continue a strategy of pursuing the status quo as long as possible, despite public and political support for independence. The third empirical chapter looks at the de facto case of Somaliland. This case will serve as a "traditional" de facto case, in which Somaliland continues to push for independence on the world stage.

My contribution to the literature is twofold. First, I bring the state capacity literature and apply it to unrecognized states. Second, by comparing unrecognized states and their parent states, I can more effectively measure indicators of military power, economic growth, and administrative capacity. This dissertation builds on Seymour's 2008 dissertation, where he proposes a framework for outcomes of separatist conflicts resulting in autonomy, de facto statehood, or statehood.[35] I use a similar categorization of my cases, although I do not measure outcomes, since all three of my cases are currently "frozen" in de facto statehood. Ultimately, the results of a secessionist movement are determined in large part by international politics, not merely separatist desires.[36] In addition, I use Florea's dataset "De Facto States in International Politics" to set the framework for measuring state capacity in de facto states.[37] With my research, my goal is to supplement and add to the existing measures on de facto states.

I argue that relative state capacity makes it more probable that a de facto state will choose to pursue statehood, reintegration, or the status quo. Essentially, the balance of total state capacity from the parent state vs. the de facto state will play a part in what is feasible for the de facto state to pursue and whether their preferences change from statehood. For a de facto state

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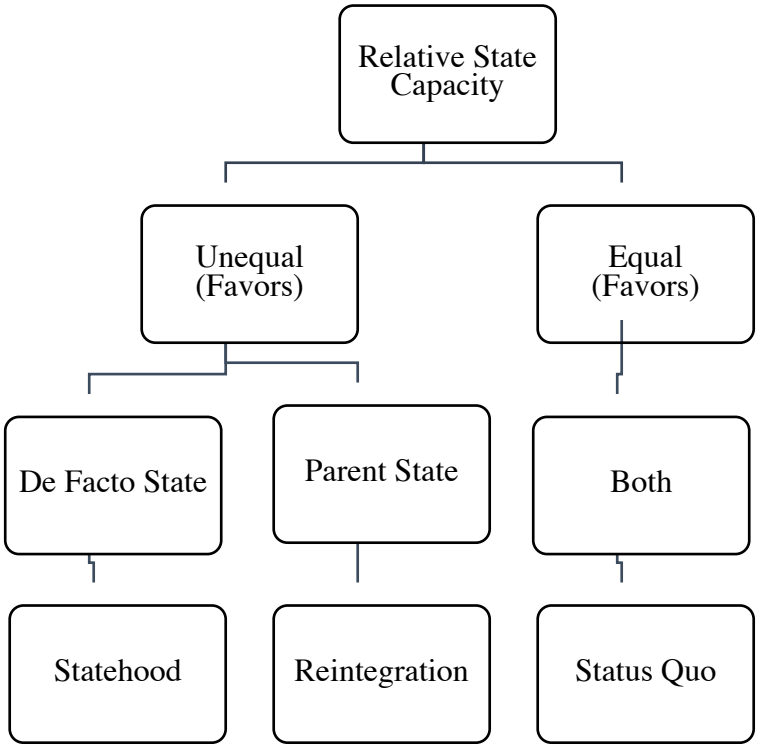
[35] Lee Seymour, "Pathways to Secession: Mapping the Institutional Effects of Conflicts of Self-Determination" (Northwestern University, 2008), p. 65.
[36] Donald L. Horowitz, "Patterns of Ethnic Separatism," *Comparative Studies in Society and History* 23, no. 2 (1981): pp. 165–95, p. 167, https://doi.org/10.1017/S0010417500013268.
[37] Florea, "De Facto States in International Politics (1945-2011): A New Data Set."

much stronger than the parent state, the obvious choice would be to keep pursuing independence, and keep trying to gain support on the international stage. An example of this is Somaliland. Somaliland, as a de facto state, boasts higher state capacity than its parent state, Somalia. A case of de facto state reintegration is Northern Cyprus. Northern Cyprus voted to become a federal state with the Republic of Cyprus in 2004. I argue this is partly due to unequal levels of state capacity, with the Republic of Cyprus coming out on top. Finally, a case of status quo would be Taiwan. Taiwan, while being recognized by 18 nations (as of 2019), has kept a strategy of "deliberate ambiguity." With China and the United States as the parent state and patron state respectively, Taiwan is caught in the middle of great power politics and risks an escalating conflict should it push aggressively for independence. At the same time, Taiwan is loath to become a part of China, whether it be under the Hong Kong Model ("One Country Two Systems"), or direct reintegration.

The model below illustrates my theory in a simple manner. When relative state capacity favors the de facto state, I expect the push for statehood to remain the core message. When relative state capacity favors the parent state, I expect this push for statehood to go away, and instead have it replaced for a reintegration preference. Finally, when state capacity capability is relatively equal, that is, does not favor one or the other decisively, I expect the status quo position to be championed by the de facto state. As I specify in the sections following, state capacity is dissected into its parts.

Figure 2.1: State Capacity Theory for De Facto States



State Capacity Definition

For this dissertation, I will employ a narrow definition of state capacity: "the ability of state institutions to effectively implement official goals".[38] As a concept, state capacity suffers from numerous issues, chief among them conceptual stretching, and a lack of clarity.[39] In addition, many other "synonyms" are used interchangeably with state capacity, and it can be difficult to tell which definition scholars are using. Examples include governance, effectiveness,

[38] Kathryn Sikkink, *Ideas and Institutions: Developmentalism in Brazil and Argentina*, *Cornell Studies in Political Economy CN - HC187 .S445 1991* (Ithaca: Cornell University Press, 1991); Jonathan K Hanson and Rachel Sigman, "Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research," 2013, p. 2.
[39] Luciana Cingolani, "The State of State Capacity: A Review of Concepts, Evidence and Measures," *United Nations University - Maastricht Economic and Social Research Institute on Innovation and Technology*, 2013, p. 1.

state building, development, state strength, and institutional capacity. A narrow definition is advantageous in two ways. First, it avoids normative arguments of what a state should do (for example, in regard to regime type) and seeks to measure only what a state provides.[40] Second, a narrow definition makes it more feasible to compare de facto state capacity and parent state capacity across identical or similar measures.

Why does state capacity matter in regard to de facto states and their calculations? In addition to providing the de facto state with legitimacy as a separate territory, high state capacity is useful to protect against possible conflict with the parent state in the future.[41] De facto states have an additional incentive to strive for high state capacity. They are not recognized by the international system, and any military victory that might have occurred as a result of a previous separatist conflict is tenuous without international acknowledgement.[42] As Lynch succinctly puts it "the separatist authorities profoundly distrust victory. They are all aware they have won the battle, not the war"[43].

My theory is based on disaggregating state capacity into three categories: military capacity, economic capacity, and administrative capacity. A state (or de facto state) may be stronger in some areas of state capacity than other—and in fact, I expect this to be the case.[44] Together, these should provide a clear picture of how well a state is performing its actions.

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[40] Hanson and Sigman, "Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research.", p. 2.
[41] In addition to avoiding conflict in the future, there exists the possibility of endogeneity in regard to high state capacity and seeking independence. It is also possible that territories with a strong desire to achieve independence will work harder to build up their state capacity.
[42] Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System,* p. 105.
[43] David Lynch, "Separatist States and Post-Soviet Conflicts," *International Affairs* 78, no. 4 (2002): pp. 831–48, pp. 839-840.
[44] Margaret Levi, "The State of the Study of the State," in *Political Science: The State of the Discipline*, ed. Helen V. Milner and Ira Katznelson (WW Norton, 2002), pp. 33–35, pp. 34.

Military capacity is another facet to state capacity and is often thought of in terms of military power.[45] The ability to exert control over a population is central to the definition of statehood. Most well-known is Weber's definition of a state, which is an organization that possesses a monopoly on the legitimate use of force within a territory.[46] Economic capacity, simply put, is the ability to collect revenue for the state through taxes. The state is defined by its ability to collect revenue and sets the foundation for state power (North 1981; Tilly 1992).[47] Collecting revenue should be successful throughout the state in order to have adequate extractive capacity. Administrative capacity is less conceptually bound, but it includes "the ability to develop policy, the ability to produce and deliver public goods and services, and the ability to regulate commercial activity".[48] Administrative capacity also has a role in monitoring activities of the state, which is essential in times of rebellion. Weak administrative capacity makes it easier to groups to rebel.[49]

Table 2.1: Breakdown of State Capacities

Type of State Capacity	Basic Function
Military (Coercive)	Provide security, protect against parent state
Economic (Extractive)	Collect revenue, fund state goals
Administrative	Build institutions, ensure longevity

[45] I will refer to coercive capacity as military capacity.
[46] Max Weber, "Politics as a Vocation," in *In From Max Weber: Essays in Sociology* (London: Routledge, 1918), p. 78.
[47] Douglass Cecil North, *Structure and Change in Economic History* (New York London: W. W. Norton Company, 1981); Charles Tilly, *Coercion, Capital, and European States, AD 990-1992*, *Studies in Social Discontinuity CN - JN94.A2 T54 1992*, Rev. pbk. (Cambridge, MA: Blackwell, 1992).
[48] Hanson and Sigman, "Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research.", p. 4.
[49] James D Fearon and David D Laitin, "Ethnicity, Insurgency, and Civil War," *American Political Science Review* 97, no. 1 (2003): pp. 75–90, pp. 79-80; Cullen S. Hendrix, "Measuring State Capacity: Theoretical and Empirical Implications for the Study of Civil Conflict," *Journal of Peace Research* 47, no. 3 (2010): pp. 273–285, pp. 274-275, https://doi.org/10.1177/0022343310361838.

Patron States

Before discussing the intricacies of military, economic, and administrative capacity, it is necessary to discuss the role that patron states play in the measurement of de facto state capacity. To be explicit, in this dissertation, patron states contribute to the capacity of de facto states, usually militarily, but quite often economically too.[50] Having a patron is not necessary or sufficient for de facto statehood in the general sense, as the case of Somaliland will show. However, for specific de facto states, it is difficult to imagine survival without a patron. It is unlikely that Northern Cyprus would have survived without aid from Turkey, for example. Likewise, without United States support, the security of Taiwan would be called into question.

Patron states are not only important at the inception of de facto statehood.[51] Often, they continue to provide support in the form of soldiers, weapons, military aid, and economic aid in various forms for years and decades after the fact. To be more specific, two out of three cases in this dissertation have patrons and this contributes directly to increased military and or economic capacity. Turkey acts as a patron for Northern Cyprus, and the United States acts as a patron for Taiwan. But patron state aid is not a nebulous concept. In most cases, the impact can be measured, as it is further in the case studies.

How exactly does a patron add to military and economic capacity? This depends on the relationship between the de facto state and patron, and the isolation the de facto state

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[50] Thomas De Waal, "The Strange Endurance of De Facto States - Uncertain Ground: Engaging With Europe's De Facto States and Breakaway Territories," 2018, p. 2, https://web.archive.org/web/20210223165859/https://carnegieeurope.eu/2018/12/03/introduction-strange-endurance-of-de-facto-states-pub-77841.

[51] As Bakke et al. explain, patron states are useful in a post-war setting to build up de facto state legitimacy. While this study focuses on Russia's role in the four post-Soviet de facto states, I argue that Turkey plays a near identical role to Northern Cyprus. See: Kristin M Bakke et al., "Dynamics of State-Building after War: External-Internal Relations in Eurasian de Facto States," *Political Geography* 63 (2018): pp. 159–73.

experiences. For Northern Cyprus, Turkey acted as a lifeboat to the outside world. Turkish troops invaded the northern part of the island in 1974 and immediately established themselves as "protectors" of the Turkish Cypriots on the whole of the island. In the ensuing conflict and ethnic division that ensued, Turkey mostly provided military backing. As Northern Cyprus cemented itself as a true breakaway region and unrecognized state, Turkey continued to provide military support. Military support came in the form of troops (30,000), weaponry, foreign military advisors, and training.[52] Turkey was also instrumental in providing the economic lifeline that kept Northern Cyprus afloat. To get around the economic embargo imposed by the Republic of Cyprus, Northern Cyprus rerouted all trade through Turkey. Direct economic aid from Turkey makes up around one-fifth of the budget of Northern Cyprus.[53]

The story for Taiwan is distinct from Northern Cyprus. While Northern Cyprus received infusions of soldiers, personnel, and money from Turkey, Taiwan's patron aided in a different way. Taiwan once enjoyed the support and recognition of the international community. Once the recognition of Taiwan was stripped in favor of the People's Republic of China, Taiwan was downgraded to an unrecognized state. Nevertheless, Taiwan was able to become an example of an economic success story in the Asia Pacific region. Economically, they do not rely on patron help as Northern Cyprus does. Military, Taiwan does receive aid from the United States. This comes in the form of arms sales, and an underlying commitment that the United States will defend Taiwan against China.

In summary, the role of patron states can be substantial in calculating the capacity of de facto states, militarily, economically, and overall. In the theory, this plays an important role,

[52] See chapter three of this dissertation for more figures on Turkish military aid to Northern Cyprus.
[53] See chapter three for more figures on Turkish economic aid.

because patron state help is subsumed within the state capacity of the de facto state, even though it is not strictly emanating from the de facto states. This may seem odd at the outset, but not including patron state aid would distort the true balance of state capacity. Northern Cyprus would be an unlikely de facto state without Turkey; therefore, it would be inaccurate to exclude Turkish aid in the measurements. Likewise, Taiwan's status would be in jeopardy were it not for the massive arms sales that the United States gives, and the commitment to protect against China. The type of patron relationship differs case by case, but whether they contribute positively to a de facto state's capacity is undeniable.

Military Capacity

Coercive capacity is often thought of in terms of military power. The ability to exert control over a population is central to the definition of statehood. Most well-known is Weber's definition of a state, which is an organization that possesses a monopoly on the legitimate use of force within a territory.[54] Hendrix defines military capacity as "the state's ability to deter or repel challenges to its authority with force".[55] Military capacity figures into nearly every definition of state capacity and reflects a state's ability to monopolize coercive power.[56]

A state with adequate military capacity would successfully protect from external threats, and well as maintain order within the state.[57] Namely, military capacity ensures that a state would be able to use force to adequately repel any threat or challenge, internal or external. Significantly, this means that internal rebellions within a state would be considered when

[54] Weber, "Politics as a Vocation.", p. 78.
[55] Hendrix, "Measuring State Capacity: Theoretical and Empirical Implications for the Study of Civil Conflict.", p. 274.
[56] Cingolani, "The State of State Capacity: A Review of Concepts, Evidence and Measures.", p. 28.
[57] Tilly, *Coercion, Capital, and European States, AD 990-1992*.

evaluating state capacity. In this project, this matters because the de facto states under study all came about due to a successful separation from the parent state.[58] In those cases, the parent state was unable to muster enough force to stop the separatists.

Military capacity is usually operationalized by two indicators as: military personnel per capita and military expenditure.[59] In addition, I will include patron support, as it plays a decisive role in 2 out of 3 cases (Northern Cyprus and Taiwan). My aim is to be able to compare military capacity across three different dyads: Cyprus vs. Northern Cyprus, China vs. Taiwan, and Somalia vs. Somaliland. To do that, I will use the De Facto States in International Politics Dataset and the Stockholm International Peace Research Institute (SIPRI) Military Expenditure Database.[60] Additional measures of state capacity can be gleaned from various state fragility indices, such as the State Failure Index (Polity IV), or the State Failure Index (Country Indicators for Foreign Policy).[61] These last two datasets are especially useful in comparing the relative lack of capacity of Somalia vs. its more stable counterpart, Somaliland.

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[58] One could argue that this differed in Taiwan, where the Kuomintang were driven off the mainland when the Chinese Communist Party successfully took over.

[59] Errol A. Henderson and J. David Singer, "Civil War in the Post-Colonial World, 1946-92," *Journal of Peace Research* 37, no. 3 (2000): pp. 275–99, p. 274, https://doi.org/10.1177/0022343300037003001; Hendrix, "Measuring State Capacity: Theoretical and Empirical Implications for the Study of Civil Conflict."

[60] Florea, "De Facto States in International Politics (1945-2011): A New Data Set"; Stockholm International Peace Research Institute, "SIPRI Military Expenditure Database," 2019, https://web.archive.org/web/20200902175009/https://www.sipri.org/databases/milex.

[61] Jessica Fortin, "A Tool to Evaluate State Capacity in Post-Communist Countries, 1989-2006," *European Journal of Political Research* 49, no. 5 (2010): pp. 654–86, https://doi.org/10.1111/j.1475-6765.2009.01911.x; Cingolani, "The State of State Capacity: A Review of Concepts, Evidence and Measures.", pp. 28.

Economic Capacity

Economic capacity, or extractive capacity, refers to a state's ability to extract resources from society.[62] These resources are usually in the form of tax extraction and revenue raising. Just as Weber defines a state as a monopoly on the use of force, the state can also be defined by its ability to collect revenue.[63] Economic capacity, or the ability to collect this revenue, requires military control of a territory, and ample resources to be able to collect taxes from the population.[64] As such, military control is required for a state to extract resources from a population. For de facto states, it means the government has to control the territory in order to employ a force to collect taxes. After establishing territorial control, economic capacity is built by a state's ability to centralize the tax system and raise sufficient revenue for protection, provision of goods, and institutions.[65] Collecting taxes efficiently also ensures the state has sufficient resources to keep functioning.[66] This has been the case historically for states, and the concept holds true for unrecognized states, which have persisted for decades despite disapproval from the international community.

Measurement of economic capacity is typically taken as a government's tax revenue, specifically tax revenue as a portion of GDP.[67] In addition to tax revenue as a percentage of

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[62] Also called "fiscal capacity".
[63] North, *Structure and Change in Economic History,* p. 21.
[64] Theda Skocpol, "Bringing the State Back in: Strategies of Analysis in Current Research," in *Bringing the State Back In*, ed. P.B. Evans, D. Rueschemayer, and T. Skocpol (Cambridge University Press, 1985), pp. 3–38, p. 16 https://doi.org/https://doi.org/10.1017/CBO9780511628283.002. Skocpol also states that an establishment of sovereignty is required. The de facto states I am examining have all established sovereignty within their territory as the legitimate government. However, they have not been granted sovereignty within the international system.
[65] Timothy Besley and Torsten Persson, "The Origins of State Capacity: Property Rights, Taxation, and Politics," *American Economic Review* 99, no. 4 (2009): pp. 1218–44, p. 1220, https://doi.org/10.1257/aer.99.4.1218.
[66] Tilly, *Coercion, Capital, and European States, AD 990-1992*.
[67] Hanson and Sigman, "Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research.", p. 7.

GDP, total GDP and GDP per capita is also used as indicators of economic capacity. Total GDP is important to denote the number of resources that a de facto or parent state can marshal, both in an economic sense, and in preparing for a potential conflict. While size and total GDP does not fully determine a state's viability and survival, it is necessary in measuring the capabilities and comparisons in the case of a de facto state and parent state. A much larger (in an economic sense) parent state may point to a situation in which the parent state can leverage this economic imbalance. A prime example of this is China's economic might and weight being used to wage a somewhat successful derecognition campaign against Taiwan. China promises economic material and resources in exchange for a switch in recognition from the Republic of China (Taiwan) to the People's Republic of China (China).

Additionally, I also use GDP per capita as one indicator of economic capacity. For this, I utilize Florea's De Facto States in International Politics Dataset, IMF and World Bank data, and figures from official government websites.[68] My reason for using GDP per capita is to directly compare the size of the economies per person and standard of living between the de facto state and parent state. Furthermore, calculating the GDP per capita of each de facto state contributes to the de facto state scholarship, and makes it possible to compare the de facto state and parent state on an equal footing. A similar logic is used for calculating the tax revenue as a portion of GDP. These statistics are not available for de facto states, but by calculating these, comparing economic capacity becomes less muddled. While a higher total GDP sometimes corresponds to a higher GDP per capita, as in the case of Northern Cyprus and Cyprus, other times it does not. While China has a higher total GDP than Taiwan, it has a lower GDP per capita. GDP per capita

[68] Wilson Prichard, Alex Cobham, and Andrew Goodall, "The ICTD Government Revenue Dataset," *SSRN Electronic Journal*, 2014, https://doi.org/10.2139/ssrn.2496442.

is able to capture sizeable population differences, and often points to whether a country is high income, middle income, or low income.

Administrative Capacity

Administrative capacity, the third category of state capacity, is based on the Weberian idea of the modern state and the existence "of a professional and insulated bureaucracy".[69] Hendrix defines it as a state's ability to collect and manage information (Hendrix 2010:274). Administrative capacity is less conceptually bound, but it includes "the ability to develop policy, the ability to produce and deliver public goods and services, and the ability to regulate commercial activity".[70] Administrative capacity also has a role in monitoring activities of the state, which is essential in times of rebellion. Essentially, administrative capacity can be thought as the bureaucratic monitoring structure of the state.

As the broadest type of state capacity, it is the least straightforward to measure, and is not always neatly measured (in comparison to indicators such as military personnel, or GDP per capita). To measure administrative capacity, I first conduct a "count" of de facto state institutions present in the de facto state vs. the parent state. The count ranges from 0-10. The institutions in question are executive authority, legislature/legislative body, legal system, tax system, welfare system, foreign affairs institutions/diplomatic missions, media, police, and an independent banking system. [71]

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[69] Max Weber, *Economy and Society. An Outline of Interpretative Sociology* (University of California Press, 1978); Cingolani, "The State of State Capacity: A Review of Concepts, Evidence and Measures.", p. 28.
[70] Hanson and Sigman, "Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research.", p. 4.
[71] Florea 2014, p. 16.

For the de facto states, the issue is both whether the institutions exist, and the quality of state building since inception. The two are intertwined, but I separate them out as two indicators for the following reasons. Most de facto states in Florea's dataset (the prime source I use for administrative capacity) have most or all of the institutions present for each year, that is to say 9/10 or 10/10. Typically, all institutions are present, save for foreign affairs institutions/diplomatic missions, due to either parent state influence, or international condemnation of secession.

State building itself is more a measure of the quality of administrative capacity, and in source materials, corresponds more to the length of time that the de facto state has been alive. In other words, as a de facto state ages, the state building capacity is coded higher. The exact categorical measurements for state building are low, moderate, high, and very high. A low degree of state building covers only physical security, and de facto states with this designation are usually new and post-conflict. A moderate degree of state building has minimal resources allocated for governance, such as healthcare, and education. De facto states with the moderate designation are mainly concerned with providing the physical security aspect but can plausibly put forth enough resources to set up other aspects of governance. For the high and very high categories of state building, what separates them is essentially the ability to conduct commercial relations with external partners and have foreign relations with recognized states.[72] Both the high and very high designations assume the presence of all other governance institutions. While the number of institutions and quality of state building are linked, for theoretical transparency, I will consider them two separate indicators in determining administrative capacity.

[72] It is worth noting that commercial relations often precede the ability to conduct diplomatic relations with recognized states.

Table 2.2: Summarizing Indicators for State Capacity Type

State Capacity Type	Indicators
Military Capacity	Military Expenditure, Military Personnel, Patron Support
Economic Capacity	Total GDP, GDP Per Capita, Tax Revenue
Administrative Capacity	Number of Institutions, Institutional Quality

Military Capacity as a Background Condition

As previously noted, state capacity is divided into three categories: military capacity, economic capacity, and administrative capacity. Because all of the cases were born in a conflict, military capacity is embedded into the theory as a background condition and becomes a prerequisite for the continuation of an unrecognized state. In other words, military capacity is an absolute necessity, which is why it is considered essential and a background condition for the existence of a de facto. The reason for this is that, simply put, de facto states need to have a high level of military capacity in order to protect against military confrontation from the parent state, which presents an existential threat to the unrecognized state. A de facto state with low levels of military capacity, that is, without the ability to defend itself, is unlikely to exist, because it will lose the bid for separatism.[73] A secessionist movement would be defeated if it did not have the capability to hold the territory it wants to keep and defend against an incursion by the parent state. A defeat at the civil conflict stage makes it impossible for a de facto state to come into being. The literature on state-building in de facto states notes the heavy emphasis on military power, further underscoring the importance of detailing the separate facets of state capacity. The

[73] The de facto state of South Ossetia can be regarded as having low military capacity in the sense that their own military is not sufficient against Georgia. However, Russia, as an involved patron state, makes it so that South Ossetia's existence is not threatened by Georgia. While Russia contributes to South Ossetia's economic and administrative capacity, it is in the military sphere where it is the starkest. Likewise, Palestine, which is also coded as a de facto state (by Florea and Caspersen, among others) does not have a high level of military capacity when compared against the parent state of Israel.

emphasis on security in de facto states leads to highly militarized societies, with high standing army numbers, and sometimes mandatory military training.[74] The historical military victory often found in the narratives of de facto states perfectly juxtaposes the precarious condition that de facto states find themselves under and further underscores the premium placed on military capacity. Without international recognition, de facto states are precarious in their military victory and "existentially insecure".[75]

Military capacity is merely the first step in the journey of state building that de facto states undertake. The aspect of de facto statehood that is most precarious, unrecognition, is also what serves to incentive de facto states to build an entity that can defend against the parent state, and which signals viability to the international community.[76] Without international protection, de facto states consider military power as the only means to deter the parent state, leading de facto states to spotlight military expenditures and reliance on a patron for security needs.

At a minimum, there needs to be parity between the de facto state and the parent state at the military level, although this can include aid and protection provided by the patron state. De facto states, such as Somaliland, are at least militarily equal, if not superior, than the parent state, without patron help. On the other hand, de facto states like Northern Cyprus and South Ossetia are only able to close the military gap thanks to patron help. Either way, without sufficient military capacity to hold off the parent state, a de facto state does not exist or is forcefully

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[74] D Ó Beacháin, G Comai, and A Tsurtsumia-Zurabashvili, "The Secret Lives of Unrecognized States: Internal Dynamics, External Relations, and Counter-Recognition Strategies," *Small Wars and Insurgencies* 27, no. 3 (2016): pp. 440–66, p. 443; Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System*., p. 149.
[75] Pegg, "Twenty Years of de Facto State Studies: Progress, Problems, and Prospects.", p. 4.
[76] Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System*., p.105.

reintegrated into the parent state.[77] This means that a base level of military power is necessary, enough to deter the parent state from attacking, or enough to not lose a military confrontation to the parent state.

Examples of "failed" de facto states show what occurs when the military balance of power heavily favors, or begins to heavily favor, the parent state. From 1991-1999, Chechnya existed as a de facto state, but was brought to a violent end by Russia in the Second Chechen War.[78] The beginning of the end for the Chechnyan de facto state occurred once they could not win a military confrontation with Russia. In 1995, the Serbian de facto state of Krajina served as another example of de facto state eradication. Likewise, the de facto state of Tamil Eelam disappeared in 2009 when the Sri Lankan government took back territorial control over areas that previously belonged to Tamil Eelam.[79] Once territorial control is lost, secessionist entities cannot credibly claim to be states without recognition.

If high military state capacity is prevalent in all or most existing de facto states, it becomes crucial to examine the ways in which the other two (extractive and administrative) matter. Militaries need money to function, but high economic state capacity is not a given if there is a patron state providing money and resources, as is the case with South Ossetia and Russia.[80] Administrative capacity suffers if the de facto state sacrifices other expenditures for the sake of the military, which seems to happen in some cases. For example, from 2002-2011, Somaliland

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[77] Adrian Florea, "De Facto States: Survival and Disappearance (1945–2011)," *International Studies Quarterly* 61, no. 2 (June 1, 2017): pp. 337–51, pp. 1-11, https://doi.org/10.1093/isq/sqw049.
[78] Florea, "De Facto States in International Politics (1945-2011): A New Data Set.", p. 793.
[79] Florea, p. 797.
[80] Nicu Popescu, "Outsourcing'de Facto Statehood: Russia and the Secessionist Entities in Georgia and Moldova," *CEPS Policy Briefs*, July 20, 2006, pp. 11-12, https://web.archive.org/web/20200828013729/https://www.ceps.eu/ceps-publications/outsourcing-de-facto-statehood-russia-and-the-secessionist-entities-in-georgia-and-moldova/.

spent an estimated 51% of the government budget on security services.[81] This comes at the expense of such government services such as education and healthcare, and does not make for robust administrative capacity.

Economic Capacity and Administrative Capacity: Separate or Intertwined?

With military capacity necessary to declare a de facto state, I find that economic and administrative capacity are two factors driving de facto state strategies for independence. Economic capacity differs between states and differs from de facto state to parent state. Raising revenue is crucial to creating the trappings of statehood. For one, a state (or unrecognized state) with a higher economic capacity is able to carry out goals more effectively, provide public goods, and spend on defense, relative to a state that has a lower economic capacity. This in turn, makes it possible for the (de facto) state to extend its rule.[82] Even though military capacity is high in most de facto states, increasing economic capacity is the only way to spend more on defense, especially without a patron present (such as in Somaliland). In de facto states with a patron that already provides military aid, the money can instead be used for development, increasing quality of institutions, and building relations with recognized states (such as in Taiwan). In de facto states with a patron that provides both military and economic aid, the money can be put towards bettering the existing institutions of the de facto state (such as Northern Cyprus).

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[81] "Budget Policy: Transitioning from State-Building to Development," in *Somaliland Economic Conference A4 - World Bank* (Hargeisia, 2014), p. 27, https://web.archive.org/web/20200828012517/https://slministryofplanning.org/images/HHSurvey/Budget-Policy-2014.pdf.

[82] Hanson and Sigman, "Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research.", p. 5.

A minimum level of revenue-raising is necessary to increase administrative capacity and improve institutions. However, as previously noted, de facto states will prioritize security first, and then put resources into other facets of state building, such as education, welfare, health, and legal system. Furthermore, the state could have the ability to extract revenue at an adequate level and still have poor administrative capacity due to corruption, short time as a state, or isolation/nonrecognition. Poor institutions can result in a discontented population, but it will not threaten the existence of a de facto state the way a parent state occupation would.

Case Selection and Research Design

Why these three cases in particular? The universe of all de facto states, both former and present, is thirty-four. For the purposes of this dissertation, I limited my case selection to current de facto states, which number eighteen. Why not choose former de facto states? For one, I am interested in preferences, not outcomes. My theory is a partial explanation for preferences for reintegration, status quo, or statehood for current de facto states, using relative state capacity. Former de facto states by definition already have an outcome: either violent reintegration into the parent state, peaceful reintegration into the parent state, or statehood granted by the international community. Having the outcome already decided, it would be difficult to tease out the role that state capacity played versus the role that the international community and other factors played in deciding the outcome. For this dissertation, I purposefully focus solely on relative state capacity between the two actors.

Former de facto states fall into one of three categories. The first is forceful reintegration into the parent state. After a period of time, the de facto state lost the conflict with the parent state and was forced back into the parent state. In Table 1.5, I note six cases of former de facto

states being subsumed by forceful reintegration: Katanga (Democratic Republic of Congo), Biafra (Nigeria), Krajina (Croatia), Chechnya (Russia), Anjouan (Comoros), and Tamil Eelam (Sri Lanka).

The second category of former de facto states is peaceful reintegration. This means that even though there was conflict, both sides agreed to a peaceful negotiation, and more importantly, the de facto state acquiesced to some form or autonomy within the parent state. I note six instances of peaceful reintegration in Table 1.6: Rwenzururu Kingdom (Uganda), Gagauzia (Moldova), Bougainville (Papua New Guinea), Eastern Slavonia (Croatia), Ajaria (Georgia), and Aceh (Indonesia). Of these six, two are counted by multiple scholars: Gagauzia, and Bougainville.

The third category of former de facto states is independence. This occurs when the international community agrees that a territory is deserving of statehood. It is not common, especially compared to the number of secessionist movements in existence, which number more than 50 as of 2011.[83] I note five cases (in Table 1.8) of former de facto states becoming recognized states: Eritrea, East Timor, Montenegro, Kosovo, and South Sudan. Of these five, just two find agreement among two or more scholars: Eritrea and Kosovo.

Table 1.7 lists the number of current de facto states at eighteen. While one theoretically could conduct a study of relative state capacity on any of the eighteen current de facto states, in reality it would prove unfeasible for more than a few of the cases. The first consideration is the unavailability of data on measures of state capacity. Data on military capacities could be

[83] Griffiths' dataset notes more than 50 movements as of 2011. For further reading, see: Ryan Griffiths, *Age of Secession: The International and Domestic Determinants of State Birth* (New York: Cambridge University Press, 2016); Also see: Ryan D Griffiths, "Secessionist Strategy and Tactical Variation in the Pursuit of Independence," *Journal of Global Security Studies* 6, no. 1 (February 24, 2020), https://doi.org/10.1093/jogss/ogz082.

unavailable or closely guarded for cases where conflict is ongoing, such as the Burmese cases of Karen State and Kachin State, or the case of Casamance, within Senegal. Likewise economic and administrative capacity data would be unlikely to be available in these conflict areas.

De facto states such as Western Sahara, Palestine, and Gaza are likewise places where state capacity would be difficult to measure, due to repression and parent state influence. In the case of Western Sahara, the area is sparsely populated, and the Sahrawi Arab Democratic Republic controls only 20% of the claimed territory, with the remaining 80% being administrated by parent state Morocco. Additionally, the recent Israel-Morocco deal saw the United States agree to recognize Morocco's claims over Western Sahara, leaving the fate of the disputed territory unclear.

Of these eighteen current de facto states, only nine have consensus among multiple scholars. Essentially, these are the territories that have a stronger case to make for unrecognized statehood. These are: Taiwan, Northern Cyprus, Abkhazia, Kurdistan, Nagorno-Karabakh, Somaliland, South Ossetia, Transnistria, and Republika Srpska. From thirty-four, to eighteen, to nine possible cases, I carefully considered possibilities based on access to data on military, economic, and administrative capacity measures, as well as longevity of the de facto state. An "older" de facto state, all things equal, would provide more insight into changing state capacity, and whether the territory's state capacity improved, declined, or stayed static over time. While state capacity measures are likely to be present for the parent state over a period of time, the same cannot be said for de facto states. Preliminary research indicated that more established de facto states were likely to have more data available, as government institutions were built and reported upon. As a de facto state transitions from a secessionist movement, to a breakaway

territory, to an unrecognized state, more robust data on military figures, economic output, and administrative buildup becomes available.

Background research and interviews with officials from the post-Soviet de facto states, specifically Abkhazia, pointed to an additional methodological concern for studying state capacity. In Abkhazia and South Ossetia, government figures may hide disappointing statistics, making it difficult as a scholar to do a comparative study in a transparent manner.

In identifying suitable cases for state capacity comparison, I focused on longevity, data collection availability, and transparency. The first case study, Northern Cyprus, entered unrecognized statehood in 1974, and issued a unilateral declaration of independence in 1983. Additionally, "the Cyprus Problem", which refers to the separation of the island along geographic and ethnic lines, is a conflict that the international community has poured extensive resources into resolving since before Northern Cyprus broke away. The United Nations Peacekeeping Force in Cyprus, or UNFICYP, is one of the longest-running UN missions, having been set up in 1964.[84] Information on Northern Cyprus' military is available throughout this time due to the political tension of Turkish troops on the island. Likewise, figures on economic output and administrative statistics are present on both government publications, and verifiable on outside sources.

The second case study, Taiwan, likewise meets the criteria for longevity, data collection availability, and transparency. Having been "demoted" to de facto statehood in 1971, close to five decades of data are present in order to conduct a comparative state capacity study with the parent state. Figures for Taiwan, unlike with other de facto states, are commonly found on datasets reserved for recognized states. In particular, economic data are easy to cross reference

[84] United Nations, "UNFICYP," https://web.archive.org/web/20210221205232/https://unficyp.unmissions.org/about.

and are readily transparent. Military figures, both with and without United States support, exist in a sufficient manner to compare to similarly high-level Chinese figures.

Finally, the third case study of Somaliland meets the ultimate criteria of longevity, data collection availability, and transparency. A de facto state since 1991, it is a similar age of the four post-Soviet de facto states.[85] Eager to show their successful state building project after conflict, Somaliland figures for military, economic, and administrative capacity are present, to a degree. Information for the 1990s is not obtainable. However, figures for the parent state, Somalia, are similarly not accessible, for reasons due to a failed state status, corruption, and lack of government function.

On a more methodological note, I strive to present my case selection as both a representative sample, and useful variation on the areas of theoretical interest.[86] In this dissertation, the areas of theoretical interest being preferences for sovereignty: reintegration, status quo, or statehood. As a representative sample, the three cases of Northern Cyprus, Taiwan, and Somaliland attempt to capture the range of cases on a geographic scale. Furthermore, the cases are diverse, that is, they represent the full variation of the population.[87] Previous research conducted in the preliminary stages of the dissertation sought to include more cases, namely one or more of the post-Soviet de facto states. For reasons relating to data transparency and availability, it was not feasible to include these cases as complete cases.

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[85] Abkhazia, South Ossetia, Transnistria, and Nagorno-Karabakh.
[86] Seawright and Gerring, "Case Selection Techniques in Case Study Research.", p. 296.
[87] Seawright and Gerring., p. 297. I note that the full variation of the population here refers to de facto state preferences of either reintegration, status quo, or statehood. However, a case could be made for one more preference which I do not explore in this dissertation: integration into the parent state. Here, I refer to the case of South Ossetia, who has in the past expressed interest in holding a referendum to become a part of the Russian Federation and join their Ossetian counterparts to the north. No referendum has yet taken place.

Overall, the study of unrecognized states is one of a small-n universe, with a ceiling of thirty-four on the high end. As noted previously, this shrinks to eighteen when only examining current de facto states, and then shrinks again to nine when only including cases with scholarly consensus. Like most small-n studies, this dissertation focuses more on examining a small number of cases in depth versus large-n studies, which look for overall patterns in a larger set. The tradeoff with this concerns internal and measurement validity versus external validity. As a small-n study of three de facto states, this dissertation further enriches the literature by providing more context for the cases in question and is theory-driven. The comparative method aids in generating a theory, in this case, the role that state capacity plays in shaping preferences for unrecognized states.[88] However, the shortfall of this is the external validity and the ability to be generalizable to other cases suffers. Furthermore, the theory is a *partial* explanation for de facto state strategy, owing to the fact that international system factors can and do affect both preferences and outcomes. It is also not deterministic, nor predictive. Northern Cyprus' preference for reintegration happened due increasing inequality on economic and administrative capacity across both sides of the divide. International system factors also likely played a role—Northern Cyprus leadership had long been seen as intransigent and stubborn on the Cyprus problem. The 2004 vote, bolstered by civil society and a grassroots movement focused on unity, saw this opportunity as a chance to switch the narrative surrounding the Turkish Cypriots. For Taiwan, state capacity factors inform their preferences to thread the status quo needle to an extent. Parent state dynamics, both internal and on the world stage, are also considerations that make a push for independence unlikely for Taiwan. For Somaliland, a higher state capacity

[88] Bernhard Ebbinghaus, "When Less Is More Selection Problems in Large-N and Small-N Cross-National Comparisons," *International Sociology* 20, no. 2 (2005): pp. 133–52, p. 142, https://doi.org/10.1177/0268580905052366.

meant that a preference for statehood formed, in spite of disinterest and apathy by the international community to recognize the territory.

Despite the struggles to external validity faced by a small-n analysis of three unrecognized states, I note that there is room to derive lessons from these cases. For one, going forward, scholars can use the template of comparing state capacities between de facto states and parent states across as many measurements as possible. This is will enable a more honest and thorough examination of de facto state viability and success with state building. Unrecognized states often use arguments that relate back to their ability to function as a state to justify separation from the parent state. [89]

Data Collection and Interviews

Before the bulk of the data collection process, I utilized interviews of various officials from Northern Cyprus as a starting point in preliminary research.[90] The interviews were informative and provided adequate background and context to a case that continues to plague the international community. They were useful in explaining the thinking of the government (in general) in the run-up to the 2004 vote.[91] The interviews provided a way to scope out the viability in the case study of Northern Cyprus, as well as a way to hear about potential alternative

[89] This is not to say that de facto states do not use other arguments to justify initial and subsequent secession and separation. Other arguments commonly include a history of separation (Somaliland), ethnic struggles (Northern Cyprus), and differing values (Taiwan).
[90] Julia F Lynch, "Aligning Sampling Strategies with Analytic Goals; Interview Research in Political Science," in *Interview Research in Political Science*, ed. Layna Mosley (Cornell University Press, 2013), pp. 31–44, p. 34, https://doi.org/10.7591/j.ctt1xx5wg.6.
[91] Tansey notes that elite interviews can have up to four uses: 1) to corroborate what has been established from other sources, 2) establish what a set of people think, 3) make inferences about a larger populations characteristics / decision, and 4) reconstruct an event or set of events. The interviews in Northern Cyprus met the criteria for points 2,3, and 4 (to a smaller extent). Oisín Tansey, "Process Tracing and Elite Interviewing: A Case for Non-Probability Sampling," *PS: Political Science and Politics* 40, no. 4 (2007): pp. 765–72, p. 766, https://doi.org/10.1017/Si049096507071211.

explanations to the state capacity argument. Ultimately, elite interviews provided the best way to gain information from those involved with matter of interest: the 2004 vote that saw Northern Cyprus vote for reintegration with the Republic of Cyprus and gain EU membership.[92] To a lesser extent, there is also the story of the subsequent change in government to a center-left party that was pro-unification.

The interviewees were composed of academics, politicians, former state officials, and former representatives involved in the longstanding talks between the governments of Northern Cyprus and Republic of Cyprus. Originally, I identified four interviewees prior to my arrival in Northern Cyprus. While there, my original interview subjects were instrumental in introducing me to more people to interview and ask questions.[93] The interviews themselves were conducted in a variety of places: Eastern Mediterranean University in Famagusta (about an hour north of Nicosia), the office of former president Mehmet Ali Talat, a government statistical office, the border zone between Northern Cyprus and the Republic of Cyprus, a furniture store in Northern Cyprus belonging to a former high-ranking negotiator on the TRNC side, and various restaurants on the northern part of Nicosia. My questions centered around the event of interest: the 2004 vote to reunite the north and the south of the island. In particular, I was curious to know what provided the catalyst for change. Given the longstanding security and political concerns, namely Turkish troops stationed in the north of the island, and securing adequate political rights for Turkish Cypriots, why was the vote (on the Northern Cyprus side) so overwhelmingly in favor of the Annan Plan? Additionally, to what extent did the current (early 2000s period) economic

[92] Tansey, p. 765.
[93] While this method of interviewing, referred to as snowball sampling, was originally used by researchers to identify interview subjects of hidden and marginalized populations, it is also a useful tool for elite interviews: Tansey, p. 770.

situation and future economic outlook play in convincing the government to back the plan, and the population to accept it?

Overall, the interviews cemented the idea that 2004 represented a time where the stars could have aligned for the Turkish Cypriots but did not. Civil society helped to galvanize enthusiasm for the Annan Plan—to vote for it would mean access to the European Union and a brighter future for the part of the island that was perennially cut off from the rest of the world. I was especially interested and invested in interviewing elites in Northern Cyprus because the case represents an instance where reintegration was the preference by the de facto state, as evidenced by both the 2004 vote, and subsequent change in government that represented pro-unification interests. Moreover, reintegration was preferred even when accounting for a decades long problem based on ethnic conflict that led to resentment on both sides. One would expect that based on the government's previous intransigence, reintegration would be a nonstarter for Northern Cyprus. Instead, more than three quarters of Northern Cyprus voted to become a united island. The interviews pointed to the idea that the people on the north of the island were ready for a change in their de facto statehood status and saw that opportunity in the form of the Annan Plan. The vote represented years of work by peace groups, civil society, and negotiators at the highest levels of government. It also, of course, increased the political goodwill for Northern Cyprus, who had previously been perceived as difficult to negotiate with under Denktaş.

While the interviews themselves were helpful to frame the Northern Cyprus case study, they were never meant to be a sole source of data. It was immensely useful to hear from people intimately involved in the peace process in 2004, a few of whom also offered their thoughts on the current iteration of the Cyprus Problem as it stands today. As a researcher, the interviews in Northern Cyprus helped to cement the case study, illuminate alternative explanations, and set up

the framing and context of the case. After the interviews, I continued with the next stage of the research process for the dissertation, which focused on theory building and data collection.

For data collection of the case studies, I use a mixture of digital archives, government publications (print), and government figures published on official websites (such as economic data) to build my theory and present a clear argument. Because de facto states are not recognized on the international stage, indicators for these areas are often lacking in traditional academic or policy datasets, creating a gap in which I answer in this dissertation. Even though de facto states control their territory and provide public goods and services to their population, these numbers do not often make it onto large N datasets that compare countries. To answer for this, I construct datasets for each de facto state with indicators of military capacity, economic capacity, and administrative capacity. I do this in order to be able to compare each type of state capacity between the parent state and the de facto state. A major contribution to the study of de facto states is evident because while previously one could argue the data existed in some way, I expand on this work by first calculating several missing measures that previously were not available for de facto states, and second, construct the datasets to provide a direct comparison for state capacities between de facto states and parent states. I do this in a way that allows for comparison with the same category, instead of relying on estimates for de facto states. To give concrete examples, it was necessary to calculate figures for the following. For Northern Cyprus, my work directly led to calculating accurate numbers in multiple years for: military spending as a percentage of GDP, GDP per capita, tax revenue as a percentage of GDP, income classification, and Turkish aid as a percentage of the budget. Overall, to provide accurate comparisons, it was necessary to convert the reported figures in the Turkish Lira to U.S. Dollars, and most importantly, peg the conversion rate to year. This is especially important as the Turkish

Lira underwent periods of decline, which affected the Northern Cyprus economy directly. For Taiwan, new figures include military expenditure as a percentage of GDP, and U.S. arm sales to Taiwan, both of which deal with the military capacity argument I put forth for Taiwan as a comparison to China. While China clearly dwarfs Taiwan on military personnel and expenditure, my figures help make an argument that Taiwan has its own formidable military capacity bolstered by the United States. For Somaliland, new calculations were needed for: security spending, security spending as a percentage of the budget, and GDP per capita. Somaliland presented the most challenges to data collection because of its relative underdevelopment compared to the other de facto states, and the fragility of the parent state, Somalia.

For this dissertation, I constructed three datasets. One dataset focused on figures for Northern Cyprus, one for Taiwan, and one for Somaliland. Within each dataset, there are specific measurements for both the de facto state and the parent state. To begin, there are comparisons for Freedom House scores for each de facto-parent state dyad. While Freedom House scores and general democratic values are not part of my theory centering state capacity, this was a useful comparison to set up the argument that de facto states often use to garner sympathy for their cause. In order to appeal to other countries, de facto states will often point to both their functionality in terms of capacity, as well as the increasing democratic values. One resource that shows this are Freedom House scores. For each of the de facto states of Northern Cyprus, Taiwan, and Somaliland, they all have increasing civil and political liberties scores throughout the years.[94]

[94] By increasing political and civil liberties scores, I refer to the level of democracy increasing, not the corresponding Freedom House scores, which decrease as democracy increases. For example, a 1 on the Freedom House scale is the highest level of political and civil liberties, while a 7 would represent a completely autocratic system.

The remaining points in the datasets correspond directly to either military, economic, or administrative capacity. First, data points for military capacity were collected and collated. Within this, the numbers for military personnel appear first. Military personnel refer to the number of people that the de facto state and parent state have available in the armed forces. For Northern Cyprus, these figures include Turkish troops on the island. For Taiwan and Somaliland, these figures only account for soldiers from Taiwan and Somaliland. After military personnel, military expenditure is calculated, both for the de facto state and parent state. Two types of data were collected for general "military expenditure". The first refers to total military expenditure in U.S. Dollars, and the second refers to military expenditure as a percentage of GDP. For Somaliland, I use reported figures for security spending in lieu of total military expenditure. Security spending is also calculated in U.S. Dollars. Security spending as a percentage of budget replaces military expenditure as a percentage of GDP for Somaliland and Somalia. As a final point for military expenditure, I include the numbers for U.S. arms sales to Taiwan. This provides a snapshot of the available weapons systems that Taiwan acquired from the United States.

Next, there are the data figures that correspond to economic capacity. First and second respectively are GDP, and GDP per capita, with a direct comparison between the de facto state and parent state. Likewise, tax revenue as a percentage of GDP (not available for Somaliland and Somalia) is also a measure used for economic capacity, as it indicates the government's ability to perform a basic task. I also include the income classification for de facto states, a figure previously reserved for recognized states. This is a rough approximation of where an economy "falls": low, middle, upper-middle, and high income. Finally, the next part of the datasets corresponds to administrative capacity. These include a count of the number of institutions

present in the de facto state, and as well as the level of state building by year. While a count of institutions may seem like a basic measure, de facto states have an inherent disadvantage in a system that will not extend recognition. Therefore, one cannot assume all the institutions are in place at the birth of a new unrecognized state.

Alternative Explanations

In this dissertation, state capacity is used as a partial explanation for why a de facto state might choose to forgo independence, keep the status quo, or pursue statehood. In reality, state capacity is but a series of measures that informs, but does not dictate, the actions that a de facto state will take. For one, it does not account for specific local factors like nationalist sentiment, distrust, ethnic conflict, and past history. State capacity does also not take into account external (international) factors shaping preferences. For the most part, the theory of relative state capacity deals more explicitly with the de facto – parent state dyad. This section will first touch on alternative explanations pertaining to local factors: namely nationalism and ethnic conflict. In other words, why would ethnic conflict not inform preferences for Northern Cyprus' strategy? Why is state capacity more correct as a partial explanation for Somaliland, rather than ethnic conflict? Would Taiwan's distrust of mainland China not push it towards a strategy of overt independence? Instead, we see them battling to keep the status quo. Given the strong issues of identity, why do we see de facto states moving back and forth in their preferences? The second alternative explanation explored here focuses on international factors informing de facto state preferences. For example, would the lack of international engagement toward Northern Cyprus not be a better explanation for their stance on reintegration, rather than state capacity arguments? Does Taiwan's status as partially recognized not lend itself to a status quo preference? Lastly,

given Somaliland's strong preference for independence, why are they not recognized by more states?

Identity issues when regarding de facto states preferences towards sovereignty can be thought of as a complement, rather than an adversary, to state capacity arguments presented in this dissertation. Having a lower state capacity relative to the parent state does not preclude ethnic issues. The allure of the Annan Plan, and widening economic gaps between both parts of the island did not erase the distrust between the Turkish Cypriots and the Greek Cypriots overnight. Rather, in this instance, it was not the deciding factor for voting in favor of the Annan Plan.[95] For Taiwan, distrust of mainland China and widening political differences help to cement the preference *against* unification, but the relative state capacity is what stops Taiwan from pursuing full-throated independence. Somaliland's past history under different colonial rulers, and the recent memories of the atrocities in the civil war incentivized an early preference for independence. Later, successful state building by Somaliland helped ensure a greater state capacity than the parent state, which led to a continued independence strategy. In other words, identity-based arguments are woven into the history of all de facto states, and to disregard them in favor of a purely structural argument is inaccurate. Identity based factors would make reintegration an unlikely preference for de facto states, however, at least one case, Northern Cyprus, shows a different strategy. This means that an identity-based argument alone would not be enough to form a satisfactory theory on de facto state preference.

Alternative theories that center international reticence as the sole reason for a de facto state's strategy towards independence also cannot explain the variation in cases, such as Northern Cyprus and Somaliland. Likewise, (partial) recognition alone cannot predict that

[95] One could argue that distrust and prior ethnic conflict did pose as one of the major issues for the Greek Cypriots, however that is beyond the scope of this dissertation.

pursuing independence will be a sure thing. In both instances, the international factors provide only a bird's eye view of de facto states in general. By focusing on the state capacity dynamics of de facto states and parent states, my theory provides a more satisfying answer to partially explain why strategies among de facto states differ.

For example, in the case of Northern Cyprus, the successful isolation and nonrecognition campaign waged by the Republic of Cyprus was immensely successful due to buy-in from other states. Northern Cyprus never became viable because not only were they unrecognized, but also because this led to their inability to conduct economic business with any other state other than Turkey. In this case, one might argue that international pressure alone informed Northern Cyprus' embrace of reintegration. However, this framing of the Northern Cyprus case does not paint a full picture and obfuscates the internal dynamics of Northern Cyprus from 1974-2004, and also does not fully delve into the de facto state-parent state relationship. The divergence in economic development and state building between Northern Cyprus and the Republic of Cyprus provides a robust justification to Northern Cyprus' pro-unification stance.

Additionally, the case of Somaliland shows that international hesitation and refusal to recognize de facto states do not always deter one from pursuing independence. Somaliland has, since 1991, desired a full and independent state from the country of Somalia. This is despite Somaliland itself being poor, and without a patron state. However, despite this, Somaliland has made inroads over time to build a strong case for being their own independent state. Over time, the measures of state capacity for Somaliland have slowly but surely eclipsed Somalia, despite the latter having international aid, and the benefits of statehood. In the cases of Northern Cyprus and Somaliland, international factors alone cannot explain the desire to move away or embrace

independence. Rather, it is necessary to look closer at the relationship between the de facto state and the parent state, and how their state capacity differs.

Furthermore, the case of Taiwan shows that even when there is recognition from other states, that alone is not sufficient to sway a de facto state towards declaring independence. Despite formal diplomatic relations with over a dozen states, and robust trade (two benchmarks that make it the envy of other de facto states), Taiwan does not currently fit the profile of an unrecognized state pursuing independence, but rather one that is content with the uneasy status quo. Once again, the relative state capacity between the de facto state and parent state matters here—quite a bit. China's role in ensuring Taiwan's status quo despite all the benchmarks for independence (and desire) cannot be overstated.

Chapter Summary

De facto states are areas within recognized states that broke away and are looking for independence granted by the international community. Despite this expectation that de facto states will vie for recognition, there are some instances where this is not the case. The puzzle I examine is: Under what conditions do de facto states forgo independence? Why did Northern Cyprus agree to a plan to reunite with the Republic of Cyprus, despite being a stable de facto state for 21 years? Why does Taiwan practice a strategy dubbed "deliberate ambiguity", in the face of rising pro-independence feelings?

I theorize that one partial explanation for these aberrations is the comparative state capacity between the de facto state and the parent state. Essentially, a case where the de facto state has a lower state capacity will be more likely to favor reintegration (Northern Cyprus). A case where a de facto state and parent state have a relatively equal / matched level of state

capacity would mean that the status quo would be preferred for the time being (Taiwan). Finally, a case where the de facto state is stronger in state capacity compared to the parent state presents a "classical" case, where the de facto state continues to vie for independence (Somaliland).

State capacity is broken up into three categories: military, economic, and administrative. Because of their precarious position regarding sovereignty and recognition, I expect all three cases (Northern Cyprus, Taiwan, and Somaliland) to have high levels of military capacity. After all, in order to successfully break away from the parent state, there had to have been a successful military campaign in the past. For this reason, military capacity is present as a background condition, although it is still measured. I do this using military personnel per capita, military expenditure, and patron support. I expect there to be much more variation among economic capacity and administrative capacity. Economic capacity is measured using GDP per capita, and tax revenue as a portion of GDP. Finally, administrative capacity is measured by institutional count, and institutional quality, using a devised scale.

My theory only serves as a partial explanation and does not claim to be deterministic. Moreover, I look at the cases at a point in time, and do not claim that their preferences will remain static throughout time. For example, in the case of Taiwan, China's rise means that Taiwan may very well be forced to accept a Hong Kong like solution or risk military conflict. In Northern Cyprus post 2004, despite both sides publicly calling for a federal solution, high-level talks continue to fail, the most recently in 2017 at Crans-Montana. Somaliland, which continues to vie for independence, is brought in as a "typical" case, and serves to contrast with the two other cases, which serve as the inspiration for the main puzzle.

Chapter 3: Northern Cyprus and Reintegration

In this chapter, I examine the case of the Turkish Republic of Northern Cyprus (TRNC). I examine why the TRNC has signaled its desire to reunify with the Republic of Cyprus. Why was the TRNC willing to forgo independence after 21 years of being a de facto state? I argue that disparities in state capacity between the TRNC and the Republic of Cyprus (the parent state) contributed to the desire of a unified state for the TRNC. On one end of the island, the inhabitants of the Republic of Cyprus had comparatively higher standard of living and were about to reap the benefits of membership from the European Union (and all of the monetary and political benefits it came with). To the north of the island, the TRNC struggled as a poor island economy, mostly due to economic isolation and reliance on Turkey. Specifically, I find that economic and administrative state capacity were especially unequal between the TRNC and the Republic of Cyprus. Militarily, the TRNC was guaranteed security by Turkish forces stationed on the island. However, military capacity is only one aspect of state capacity, and alone it is not enough to guarantee a prosperous future for the de facto state. Political nonrecognition and economic isolation led to lower levels of economic and administrative capacity, which in turn made independence less favorable, and reintegration more favorable.

The TRNC declared independence on November 15, 1983.[96] This came nine years after a Turkish military invasion of the northern part of the island of Cyprus**.** For years following the declaration of independence, a solution eluded leaders, as both sides demanded guarantees that the other was not willing to follow through. For the Greek Cypriots, the most important issues were Turkish soldiers on the northern part of the island, and homes lost due to the displacement

[96] James Ker-Lindsay, "Great Powers, Counter Secession, and Non-Recognition: Britain and the 1983 Unilateral Declaration of Independence of the 'Turkish Republic of Northern Cyprus,'" *Diplomacy & Statecraft* 28, no. 3 (July 3, 2017): pp. 431–53, p. 432, https://doi.org/10.1080/09592296.2017.1347445.

following the invasion.[97] The Turkish Cypriots demanded political equality on an ethnically divided island where they made up about 30 percent of the population, compared to 70 percent who were Greek Cypriots. For some time, the government of Northern Cyprus was staunchly against unification with the Greek Cypriots, especially under the founding leadership of Rauf Denktaş, who served as president throughout the various iterations of the Northern Cyprus de facto state. He first served as the president of the Turkish Federated State of Cyprus (1975-1983), and then president of the Turkish Republic of Northern Cyprus (1983-2005). With Turkey as a patron state, international isolation hardly mattered for Northern Cyprus. However, over the years, the pro-secessionist attitude has undergone change.

The idea of eventually reunifying the island under a bi-communal, bizonal, federal system was proposed by the UN Security Council in 1977, before TRNC's unilateral declaration of independence. Trying to implement this idea, however, has been unsuccessful so far. In 1992, the two sides came closer than ever to an agreement, but this ultimately fell through. A new comprehensive peace plan was proposed in 2002 by the then UN Secretary General, Kofi Annan. This peace plan went through various iterations before being finalized and presented to the public. In 2003, the Green Line was opened, which opened several border crossings in Nicosia/Lefkosia.

In 2004, the Annan Plan, in its fifth iteration, was put forth to a referendum vote. This plan would reunify the island under one federal state and allow Cyprus to join the European Union as a unified island. While 65 percent of Turkish Cypriots were in favor of the peace plan, it was rejected by 76 percent of Greek Cypriots, and it did not pass.[98] Not only was unification at

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[97] These two issues still remain the most important problems for the Greek Cypriots.

[98] "Cyprus Misses 'historic Chance' as It Rejects UN Reunification Plan, Annan Says," *UN News Centre*, 2004, https://web.archive.org/web/20200901221746/https://news.un.org/en/story/2004/04/101352-

stake, but the chance for Turkish Cypriots to become EU members. When the deal did not pass, Cyprus became an EU member, but Northern Cyprus did not.

In Northern Cyprus, nationalist parties were consistently in power until 2003, when center-left parties won more elections, with support of the business community and civil society groups.[99] The center left parties emphasized differences between Turks and Turkish Cypriots, not just the differences between the Greek Cypriots and Turkish Cypriots. They argued that Turkish Cypriot aims could be achieved in a federal settlement. This guaranteed self-rule and minimum interference.[100] In addition to gains from center-left parties, there was widespread disapproval over TRNC President Denktaş, with demonstrations taking place in the winter of 2002-2003.

Against this backdrop, Turkish Cypriots admitted that the EU decision to accept Cyprus affected their positions and the evolution of the conflict.[101] Northern Cyprus could only enjoy the benefits of the EU if it joined as a state, so they would have to join as a united island since no state except Turkey recognized Northern Cyprus. Most of the gains offered to Northern Cyprus for joining the EU were economic. These gains would bring an end to 30 years economic isolation, and would bring access to the EU market, increased tourism and investment, and the adoption of the Euro.[102]

Domestic political shifts in Northern Cyprus suggested that EU economic incentives did work on the Turkish Cypriot public. The Turkish economic upheaval from 1999-2001 hit Northern Cyprus particularly hard as well since they were tied to the Lira.[103] There was a

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cyprus-misses-historic-chance-it-rejects-un-reunification-plan-annan-says:, "Bridging the Sovereignty Gap in Northern Cyprus," in *SGIR 6th Pan-European International Relations Conference*, 2017, p. 15.
[99] Nathalie Tocci, *EU Accession Dynamics and Conflict Resolution: Catalysing Peace or Consolidating Partition in Cyprus?*, 2004, p. 27.
[100] Tocci, p. 28.
[101] Tocci, p. 73.
[102] Tocci, pp. 95 - 96.
[103] Tocci, p. 108.

growing feeling that TRNC was being governed by Turkey.[104] In 1994, Denktaş argued that economic difficulties meant that TRNC should unite with Turkey.[105] In the TRNC, large deficits were and are financed through Turkish aid.[106]

The financial crisis in Turkey caused some groups to begin advocating for less reliance on Turkey. Groups such as the Turkish Cypriot Teacher Syndicate took out an ad in a newspaper: "Ankara, we don't want your money, your programme, your clients and we just want to govern ourselves".[107] Turkish Cypriots peace activists, political parties, and trade unions focused on mobilizing masses to support the Annan Plan. Many of the protestors saw Denktaş, with his unwillingness to support the plan or generally any agreement, as one of those responsible for the division of the island. EU membership and reunification became common themes during the rallies.[108] Mehmet Ali Talat, the prime minister who came to power for TRNC in 2003, differed completely from Denktaş, as he supported the Annan Plan and also focused on mobilizing the people to vote yes. He used the concepts of a common homeland and a united Cyprus.[109]

I argue that lower relative state capacity is one reason why Turkish Cypriots were in favor of reintegration in the run up to EU accession and the Annan Plan referendum. Comparatively, Turkish Cypriots were worse off economically and administratively (but not militarily) than Greek Cypriots. Economic isolation due to a worldwide embargo meant that the TRNC could not rely on economic aid from the from the international community or other states,

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[104] Tocci, p. 109.
[105] Tocci, p. 71.
[106] Andrekos Varnava and Hubert Faustmann, *Reunifying Cyprus: The Annan Plan and Beyond*, vol. 28 (IB Tauris, 2009), p. 137.
[107] Muhittin Özsağlam, "An Analysis on Security Perceptions of Turkish Cypriots," April 1, 2017, pp. 13.
[108] Özsağlam, p. 15.
[109] Özsağlam, p. 17.

only their patron, Turkey. The Turkish Cypriot economy, vulnerable to economic developments in Turkey, was wholly dependent on them for aid transfers.[110] Additionally, with the economic embargo also came diplomatic isolation, which provided few avenues for Northern Cyprus to further their interests.[111]

Figure 3.1: Map of Northern Cyprus and the Republic of Cyprus[112]

[110] Mehmet Emre Gorgulu, "The Effects of Isolation on the Turkish Republic of Northern Cyprus," MPRA Paper (Munich, 2014), https://web.archive.org/save/https://mpra.ub.uni-muenchen.de/62077/, pp. 1-2. Due to the Annan Plan having failed to be implemented, most of the conditions present in 2004 are still the case today.

[111] Deon Geldenhuys, *Contested States in World Politics* (Palgrave Macmillan, 2009), p. 180, https://doi.org/10.1057/9780230234185.

[112] Map appears in forthcoming book: *The Sovereignty Game: Secessionist Strategy and Tactics in the International System* (Griffiths 2021).

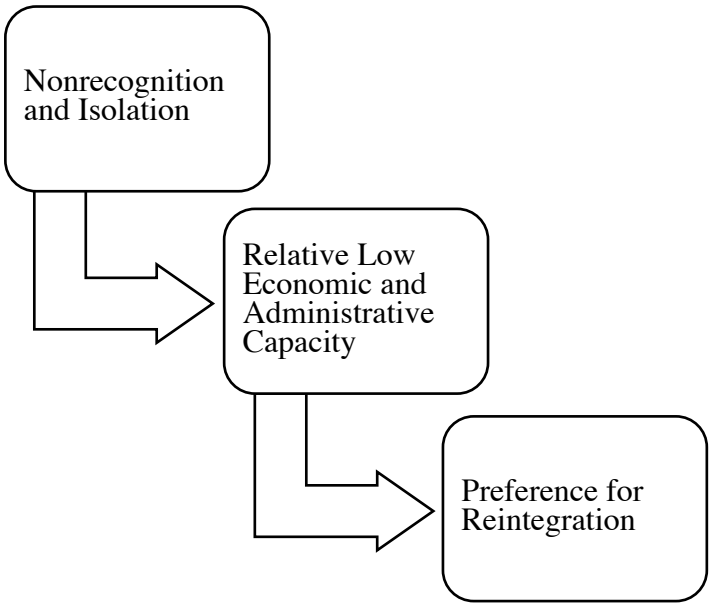
The Cyprus Question and Theoretical Framework for Reintegration

In the case of Northern Cyprus, the question is: Why did Northern Cyprus agree to a deal that would reunite the island under a federal system? In other words, why were they willing to give up de facto statehood after decades? This chapter finds that due to low economic and administrative capacity, in addition to economic incentives, Northern Cyprus favored unification with the Republic of Cyprus for a period of time.

This chapter will look at the time period of de facto statehood where independence was the prevailing attitude, and then look at the shift from the pro-independence stance to the pro-reunification stance. In addition, I will look at one of the underlying reasons for the shift from pro-independence to pro-reunification. My theory posits that unequal state capacity between Northern Cyprus (de facto state) and the Republic of Cyprus (parent state) contributed to the shift from pro-independence to pro-reunification. In this case, state capacity is unequal in favor of the Republic of Cyprus. As shown in the figure below, my theory shows that an unequal distribution of state capacity in favor of the parent state will most likely result in a reintegration stance by the de facto state, as well as the specific factor that led to this preference for Northern Cyprus.[113]

[113] I use "reintegration" and "reunifcation" interchangeably. In either case, I refer to a de facto state being willing to rejoin the parent state that they seceded from.

Figure 3.2: Northern Cyprus Reintegration Model



Engaging Identity Based Alternative Explanations for Northern Cyprus

Before examining the state capacity argument as it pertains to Northern Cyprus specifically, alternative explanations based on ethnic conflict between the Turkish Cypriots and Greek Cypriots are worth exploring, in conjunction with the way this operates within an international system that frowns on secession. As previously discussed, the Cyprus Problem spans many decades and both sides of the divide. Historically, the conflict between the Turkish Cypriot and Greek Cypriot community has been dominated by the demands of ethnonationalists on both sides.[114] The hurt caused by the sustained conflict undoubtedly produced distrust on both

[114] Yücel Vural and Nicos Peristianis, "Beyond Ethno-Nationalism: Emerging Trends in Cypriot Politics after the Annan Plan†," *Nations and Nationalism* 14, no. 1 (January 21, 2008): p. 39, https://doi.org/10.1111/j.1469-8129.2008.00325.x; For an overview of the Cyprus Problem and its ethnic tensions over the decades, see following two articles: Alexis Heraclides, "The Cyprus Gordian Knot: An Intractable Ethnic Conflict," *Nationalism and Ethnic Politics* 17, no. 2 (2011): pp. 117–39, https://doi.org/10.1080/13537113.2011.575309; Muzaffer Ercan Yilmaz, "The Cyprus Conflict And The Annan Plan: Why One More Failure?," *Ege Academic Review* 5, no. 1 (2005): pp. 29–39.

sides, and issues concerning territory, sovereignty, and power-sharing have sunk each and every attempt to resolve the conflict. At the end of each spectrum, both sides have at some point advocated for separation based on ethnicity. In 1955, Greek nationalists called for *enosis*, which advocated union with Greece, while some Turkish Cypriots responded in kind, calling for *taksim*, or partition.[115] By the 1960s, the ideals of *enosis* and *taksim* characterized the tension between the two groups on the island, which led to violent confrontations in the capital, which eventually spread to the rest of the island. Due to the nature of the conflict, the Green Line, which divided the groups on a north-south axis that is still in place today, was established, and the United Nations began their peacekeeping mission (which also remains to this day).[116]

At the end of the 1960s and early 1970s, negotiations began to break the political impasse, which mostly centered around territory and political rights for each group. The situation escalated in July 1974, when the Greek Cypriot right-wing extremist group EOKA B launched a coup against Makarios, the Cypriot president at the time. The group was aided by the junta that ruled Greece at the time, with the aim of uniting the island with Greece. As a result of these actions, Turkey invaded the northern part of the island. The 1974 division is still in place today. In 1983, the Turkish Republic of Northern Cyprus was born, denoting the start of the de facto state, which is only recognized by Turkey. Overall, negotiations on the Turkish Cypriot side have failed because generally, the Turkish Cypriots desire more separation under a federal framework, which would allow for more political rights and representation. With Greek Cypriots

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[115] Yiannis Papadakis, "Locating the Cyprus Problem: Ethnic Conflict and the Politics of Space," *Hybrid Geographies in the Eastern Mediterranean: Views from the Bosphorus* 15 (2005): p. 84, http://digitalcommons.macalester.edu/macintlhttp://digitalcommons.macalester.edu/macintl/vol15/iss1/11 .

[116] Papadakis, p. 85.

making up more than 70 percent of the population, the issue of political representation and minority rights is paramount the Turkish Cypriots.

Noting this, it would be difficult to imagine a situation where a de facto state that seceded from a parent state, with aid from a patron state of the same ethnic makeup, would willingly vote to reintegrate with the same parent state. This is not an event that can fully be explained by identity, which would expect the Turkish Cypriot side to remain intransigent. The issue of how identity shapes the intractability of the Cyprus Problem cannot be overscored, but a watershed moment occurred in 2004 (on the side of Northern Cyprus) that warrants a more complete explanation that adds to the already rich studies of ethnic conflict on the island. Furthermore, the Annan Plan was not an agreement that only the Northern Cyprus government agreed to, it was a plan voted on by 65 percent of the Turkish Cypriot population, which underlines an element of agency within the population.

Bringing the international system back in, the Annan Plan and entrance into the European Union promised to reverse the fortunes for those in the north.[117] The unrelenting embargo imposed by the Republic of Cyprus meant that all trade needed to be rerouted to Turkey. In addition, the footing of Northern Cyprus rested solely on how Turkey was doing. This meant that any economic downturn for Turkey spelled similar economic disaster for Northern Cyprus. The theory (which serves as a partial explanation) put forth in this dissertation, is not meant to disregard the identity-based arguments, which generally center around the uncompromising demands of both sides. Rather, the state capacity argument for Northern Cyprus shows that the economic gaps on the island were too big to ignore by the Turkish Cypriots. The next sections

[117] For more on the Annan Plan, see: Crisis Group, "Cyprus: Three Advantages of the Annan Peace Plan," Crisis GroupCrisis Group, 2004, https://web.archive.org/web/20210315025941/https://www.crisisgroup.org/europe-central-asia/western-europemediterranean/cyprus/cyprus-three-advantages-annan-peace-plan.

describe in detail the balance of state capacity between both sides, and why ultimately the economic and administrative gaps made it feasible for the de facto state to endorse reintegration.

Military Capacity

In this section I will compare the differences between the military capacity of Northern Cyprus versus that of the parent state, the Republic of Cyprus. Due to the strong support of Turkey, Northern Cyprus is militarily stronger than its parent state, Cyprus. This has allowed the status quo to persist on the island for almost five decades. Military capacity is used as a foundation on which to establish a de facto state, but it does not account for the differing preferences of the Turkish Cypriots. After all, they are militarily stronger than their parent state throughout each year from 1974-2004, yet they still voted to reintegrate.

A cursory glance at the military capacity of the de facto states in question gives a general idea on where they stand in comparison to the parent state. In the case of Northern Cyprus, while military personnel is lower than the Republic of Cyprus pre 2004 (5,000 military personnel vs. an average of about 12,000), this does not include the presence of Turkish military on the island, which number about 30,000.[118] As a patron, Turkey also provides weaponry, foreign military advisors, training for de facto state troops, as well as soldiers.[119] Turkey's soldiers and patronage mean that they essentially control the northern part of the island and tip the (military) balance of power in favor of the Turkish Cypriots. Therefore, it is logical to conclude that when comparing

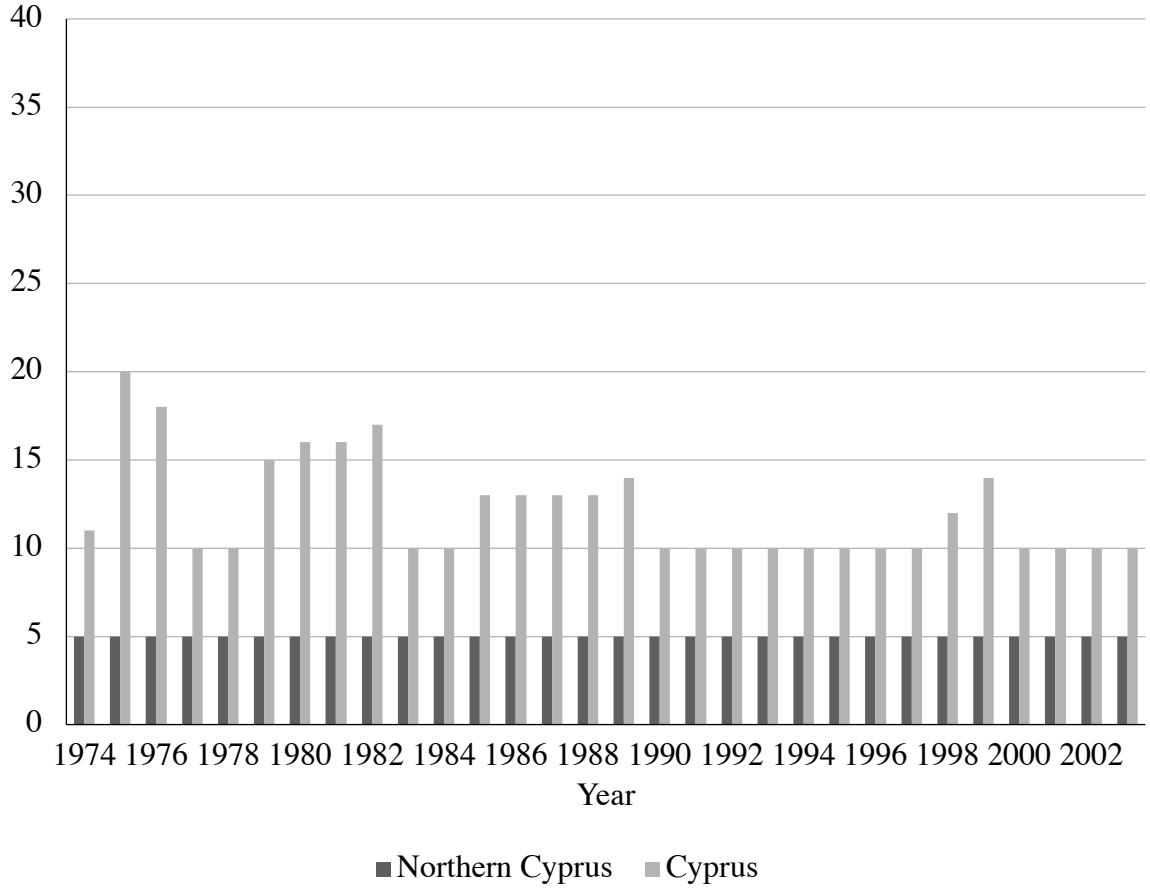
[118] Adrian Florea, "De Facto States in International Politics (1945-2011): A New Data Set," *International Interactions* 40, no. 5 (2014): pp. 788–811, https://doi.org/https://doi.org/10.1080/03050629.2014.915543.
[119] Florea, p. 50.

the military capacity of Northern Cyprus vs. the Republic of Cyprus, the TRNC comes out on top. Florea supports this assertion, as he codes the relative (rebel) capability as much stronger.[120]

Exactly how does military capacity break down in the divided Cypriot island? The first chart below gives the number of military personnel (in thousands) that Northern Cyprus (TRNC) and Cyprus each had for each year from 1974-2003. Northern Cyprus itself did not have more military personnel than the Republic of Cyprus, with a reported 5,000 personnel for each year from 1974-2003.[121] However, this graph, and the data on which it is based, misses crucial information and presents an inaccurate picture of the military situation on the island since 1974. The reason that the status quo persisted for so long is due to the fact that the Republic of Cyprus cannot legitimately claim control over the northern part of the island. After Turkey invaded the northern part of the island (Kyrenia) in 1974, they left a substantial military presence that ensured control of what is now Northern Cyprus, although were deterred from taking more of the island thanks to UN and British forces.

[120] Florea, p. 21.
[121] Florea.

Figure 3.3: Military Personnel (Thousands) Northern Cyprus and Cyprus



The figure above shows the number of active military personnel for both Northern Cyprus and Cyprus. For Northern Cyprus, the figures reported only take into account soldiers from Northern Cyprus. Turkish soldiers are not included. Up until 2004, Northern Cyprus had less of their soldiers providing security compared to Cyprus.[122] The sheer imbalance in regard to military personnel available to Northern Cyprus vs that available to Cyprus makes it clear why the Northern Cypriot de facto state exists.

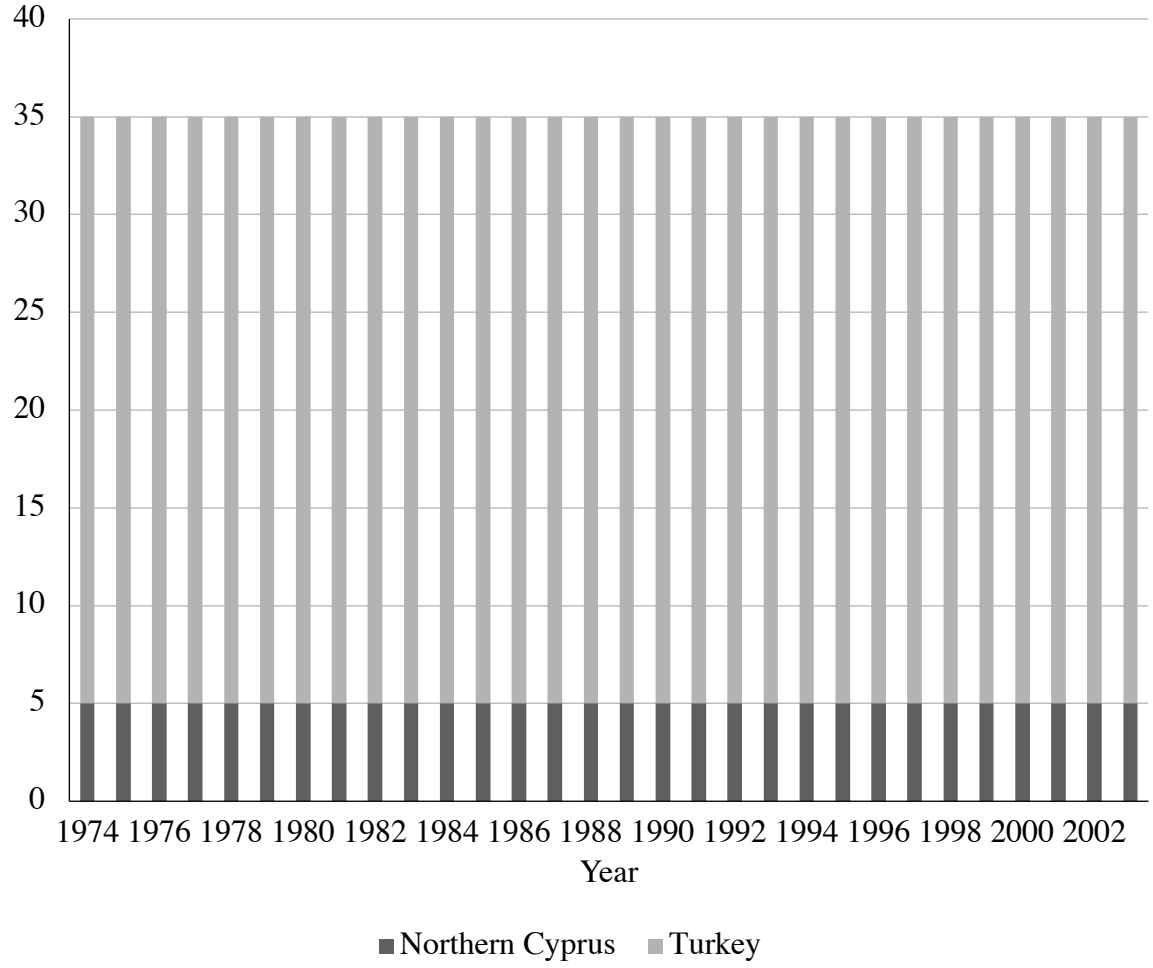
In order to present a more accurate picture of the number of military personnel available to Northern Cyprus vs the Republic of Cyprus, it is necessary to include the Northern Cypriot

[122] After the Annan Plan referendum, the number of active Northern Cypriot soldiers went from 5,000 to 41,000.

personnel alongside the Turkish military personnel. In addition to the 5,000 Northern Cypriot military personnel, there are about 30,000 Turkish troops stationed on the northern part of the island for every year between 1974-2003.[123] If this is added to the troops that TRNC themselves provides, then it is clear to see why the military capacity is higher compared to the Republic of Cyprus. For example, take the year 1995. The Republic of Cyprus is listed as having 10,000, while Northern Cyprus only has 5,000 of their own troops on the northern part of the island. However, once Turkish troops are taken into account, Northern Cyprus really has 35,000 troops at their disposal, compared to Cyprus' 10,000.

[123] Florea, p. 50.

Figure 3.4: Northern Cyprus Military Personnel with Patron Support (Thousands)



After number of military personnel, the amount spend on military expenditure is also crucial to examine. The next tables and figures will focus on total military expenditure, and military expenditure as a percentage of GDP. As I show later, even though the Republic of Cyprus spends a larger percentage of their GDP on defense as compared to Northern Cyprus, it is not enough to counteract the number of Turkish soldiers defending the northern part of the island. The Republic of Cyprus is not ever able to credibly challenge the Turkish presence on the island. For reference, I present one table and one figure that denotes total military expenditure by Northern Cyprus and Cyprus.

Table 3.1: Total Military Expenditure in Northern Cyprus and Cyprus[124]

Year	Northern Cyprus	Cyprus
1974		
1975		
1976		
1977	$8 million	
1978	$5 million	
1979	$5 million	
1980	$8 million	
1981	$15 million	
1982	$14 million	
1983	$5 million	
1984	$7 million	
1985	$7 million	$30 million
1986	$7 million	$50 million
1987	$7 million	$200 million
1988	$6 million	$240 million
1989	$6 million	$240 million
1990	$8 million	$410 million
1991	$11 million	$420 million
1992	$12 million	$630 million
1993	$11 million	$270 million
1994	$10 million	$300 million
1995	$16 million	$300 million
1996	$15 million	$450 million
1997	$28 million	$530 million
1998	$42 million	$480 million
1999	$53 million	$290 million
2000	$39 million	$280 million
2001	$30 million	$330 million
2002	$36 million	$240 million
2003	$46 million	$290 million
2004	$55 million	$340 million

[124] For Northern Cyprus figures, original sources were in Turkish Lira. To approximate to the US dollar amount, I converted Turkish Lira (YTL) to US dollar using the conversion rate *for each year*. Conversion figures were taken from the TRNC State Planning Committee and were verified with open-source online information and were found to be adequate approximations. The Cyprus military expenditure figures were converted from billions of dollars. All figures were rounded to the nearest whole number.

Figure 3.5: Total Military Expenditure (Millions) Northern Cyprus and Cyprus

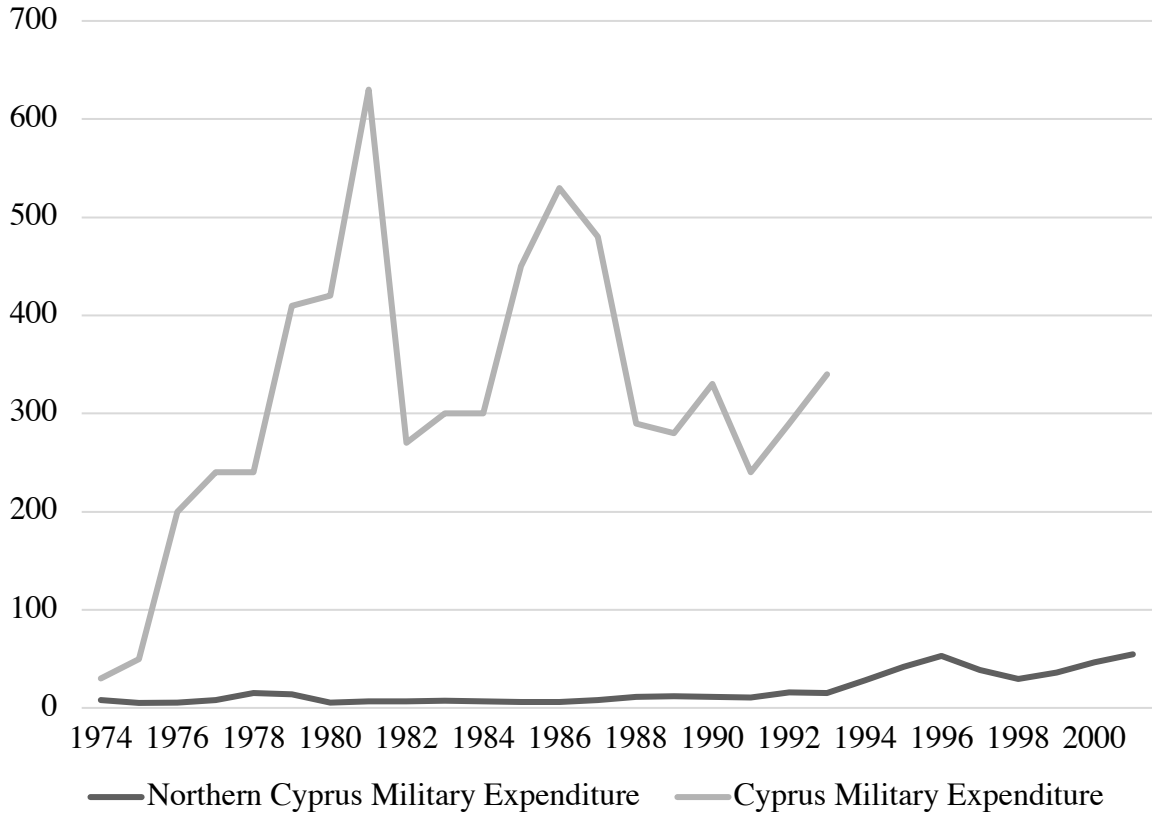


Figure 3.6 below shows military expenditure as a percentage of GDP for Northern Cyprus (TRNC) vs. the Republic of Cyprus. The reason to use military expenditure as a percentage of GDP is because the economies of Northern Cyprus and Cyprus are quite distinct in terms of size. Therefore, capturing only the total military expenditure would hide some of the context. Comparing the percentage of GDP gives insight into how both states approach defense spending.

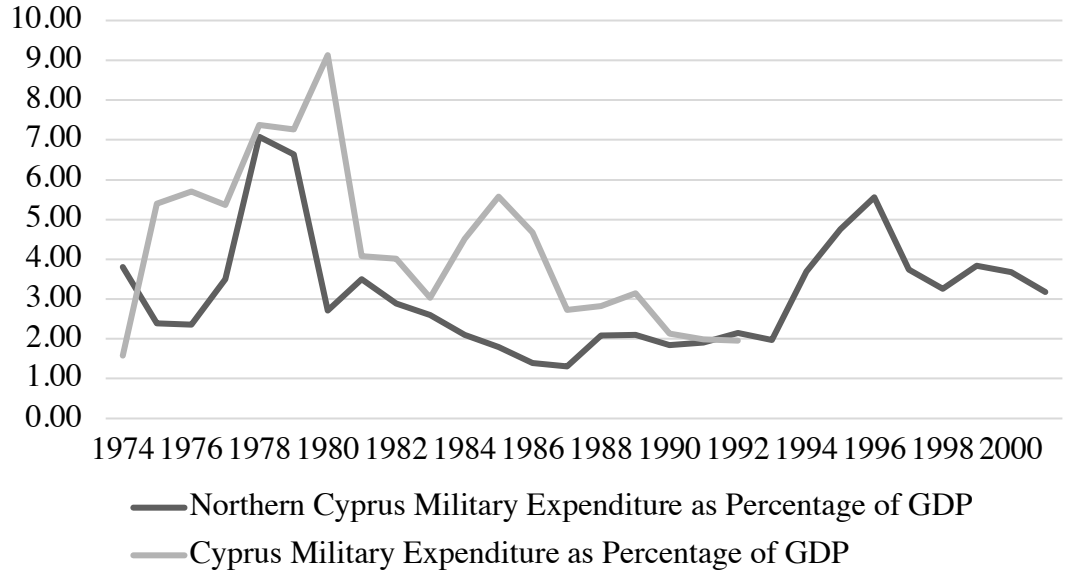
Overall, Cyprus is spending a larger percentage of their GDP on defense up until the late 1990s. This is not surprising, seeing as Turkey is providing Northern Cyprus with troops and economic aid to boost their military capacity. Cyprus had to bolster its military enough to protect the Greek-majority community in the south, and stave off Turkey and Northern Cyprus.

Additionally, 1988 saw the collapse of talks (again) between both sides when Cyprus signaled its intentions to apply to the European Community (EC), further increasing tensions. Then, in 1994, the European Court of Human Rights (ECHR) delivered a landmark ruling in Loizidou v. Turkey that essentially named Turkey as an occupying force on the island and said that all refugees have the right to return to their former homes. The case specifically centered around a Greek-Cypriot refugee that was displaced in 1974 from her home in Kyrenia, located in the north of the island.[125] Ankara did not welcome the ruling. At the same time, we see Cyprus increasing its military expenditure during this tense time period. While North Cyprus military expenditure is comparatively lower during this time, Turkey is still providing up to 30,000 soldiers per year, making it likely that North Cyprus does not need to increase its own military expenditure significantly, although there is an increase during this time for Northern Cyprus.

While data is not available for Cypriot military expenditure before 1985, military expenditure peaked for Northern Cyprus in the late 1970s – early 1980s (at around seven percent). This would be the time after the Turkish invasion (1974), but before their declaration of independence (1983). 1999 sees another uptick, at around 5 percent.

[125] Case of LOIZIDOU v. TURKEY no. 15318/89 (1996).

Figure 3.6: Military Expenditure as a Percentage of GDP in Northern Cyprus and Cyprus[126]



In addition to the soldiers and aid that the Turkey provides, Northern Cyprus receives other forms of military support from their patron. Florea finds that Turkish military support for Northern Cyprus is overall very high. Specifically, he finds that Turkey contributes weaponry, foreign military personnel, foreign military advisors, and training for de facto states troops.[127] An ordinal measure of relative rebel capacity finds that Northern Cyprus is considered *much stronger* than the government of Cyprus militarily, and this can be attributed almost entirely to Turkish support.[128] The ordinal measure runs from 1 to 4. A 1 indicates the de facto state is

[126] Stockholm International Peace Research Institute, "SIPRI Military Expenditure Database"; "Military Expenditure (% of GDP) - Cyprus | Data," World Bank, accessed February 2, 2020, https://web.archive.org/web/20200902175949/https://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?locations=CY&view=chart; "TRNC State Planning Organization," accessed February 2, 2020, https://web.archive.org/save/http://www.devplan.org/Frame-eng.html.
[127] Florea, "De Facto States in International Politics (1945-2011): A New Data Set.", p. 50.
[128] Florea, p. 21; David E. Cunningham, Kristian Skrede Gleditsch, and Idean Salehyan, "It Takes Two: A Dyadic Analysis of Civil War Duration and Outcome," *Journal of Conflict Resolution* 53, no. 4 (August 27, 2009): pp. 570–97, https://doi.org/10.1177/0022002709336458; Stephen E. Gent, "Relative Rebel

weaker than the government, a 2 indicates parity with the government, a 3 indicates the de facto state is stronger than the government, and a 4 indicates that the de facto state is much stronger than the government.

Table 3.2: Types of External Military Support Turkey Provides Northern Cyprus[129]

Support Type	Provided by Turkey
Weaponry	Yes
Foreign Soldiers	Yes
Foreign Military Advisors	Yes
Training for Troops	Yes
Safe Havens	No

Economic and Administrative Capacity

Prior to the 2004 vote on reunification, the economy of Northern Cyprus resembled that of a developing nation, while the economy of the Republic of Cyprus resembled that of a developed nation. Northern Cyprus, due to the embargo put in place by the Republic of Cyprus, could only receive aid from Turkey, its sole patron. For example, by 2003, the GDP per capita in Northern Cyprus was nearly *four times lower* than its southern neighbor on the same island.[130] Northern Cyprus had a GDP per capita of $5,949 while the Republic of Cyprus had a GDP per capita of $20,000. Nonrecognition and economic isolation meant that Northern Cyprus lagged far behind the Republic of Cyprus in terms of economic capacity. This in turn affected its state building, institutions, and administrative capacity. Without robust economic development, Northern Cyprus prioritized security in its earlier years. While the military capacity of Northern

Strength and Power Sharing in Intrastate Conflicts," *International Interactions*, 2011, https://doi.org/10.1080/03050629.2011.569239.

[129] Florea 2014, p. 21.

[130] Theodore Pelagidis, Andreas Theophanous, and Yiannis Tirkides, "An Anatomy of the Economy of the 'Turkish Republic of Northern Cyprus' (TRNC)," *Journal of Modern Hellenism*, 2008, pp. 1–31, p. 6.

Cyprus could hold its own against the parent state (thanks to extensive patron support), economic and administrative capacity lagged behind. Even with Turkey's aid, nonrecognition and isolation did damage and stunted the potential growth of the Turkish Cypriots. This section presents various indicators of economic and administrative capacity for Northern Cyprus and demonstrates that these indicators lag far behind the parent state.

GDP and GDP per Capita Comparison

Before comparing relative standard of living using per capita income, it is important to compare the size of the economies outright. This will show the different trajectories of both sides of the island following the events of 1974. For this case specifically, it shows the Republic of Cyprus developing into a high-income country, culminating with its entrance into the European Union. Northern Cyprus, on the other hand, was reliant on Turkey from 1974-2004 for most of its economic needs, including for trade and tourism.[131] Generally, the comparison will provide a real-world example of the costs of nonrecognition and isolation. Even with the presence of a strong patron, North Cyprus could never hope to catch up to its southern neighbor without access to international markets.

[131] It mostly remained reliant on Turkey post 2004 as well.

Figure 3.7: GDP Comparison in Northern Cyprus and Cyprus[132]

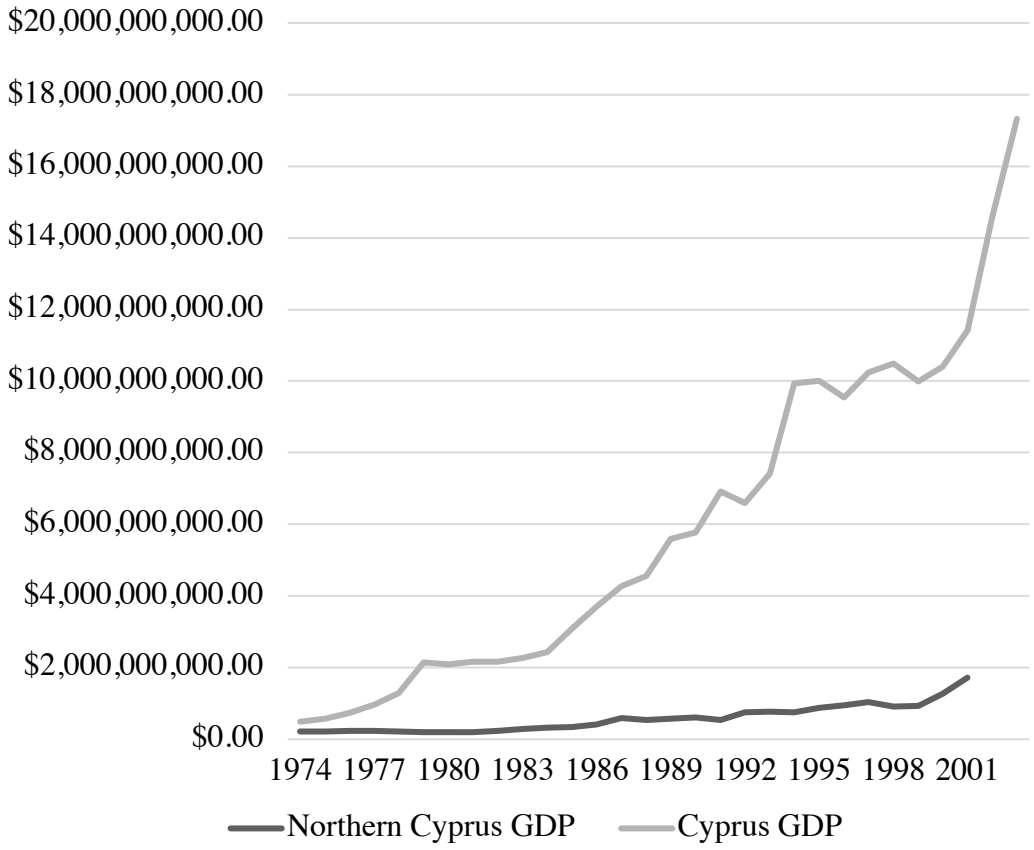


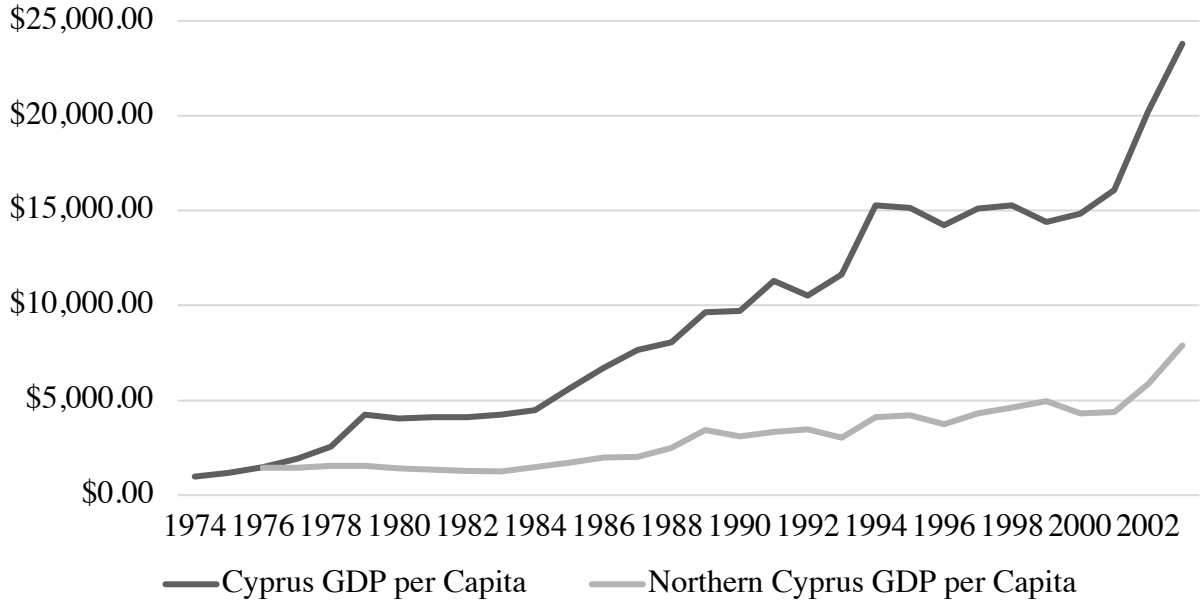
Figure 3.7 (above) shows a graph of the GDP for both parts of the island. The Cypriot economy dwarfs the TRNC economy early on. By 1977, when figures for both are available, the GDP of Cyprus is more than three times that of Northern Cyprus. Cyprus surpasses the 1-billion-dollar mark in 1979, while the GDP of Northern Cyprus does not break 1 billion dollars until 2000. That is thirty-one years to catch up to this 1979 figure, and by this point, the GDP of Cyprus is more than nine times that of the TRNC. By 2004, the year of the vote on the Annan

[132] "TRNC State Planning Organization"; "GDP - Cyprus | Data," World Bank, 2020, https://web.archive.org/web/20200902181934/https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=CY. Sources for Cyprus GDP were obtained from the World Bank. For Northern Cyprus GDP figures, I utilized figures from the TRNC State Planning Organization. Northern Cyprus figures were originally in Turkish Lira amounts and were converted to US dollar amounts using conversion figures for each year.

Plan, the Cypriot GDP is roughly 17.3 billion dollars, while the GDP of Northern Cyprus is valued at 1.7 billion dollars.

Comparing GDP is a useful start, but not enough to show the magnitude of the economic capacity disparity between Cyprus and Northern Cyprus. I compare GDP per capita in Figure 3.8 (shown below) to show the relative standard of living between both populations on the islands. In 1977, when data is available for both, the GDP per capita for Cyprus was $1,476.27, while the GDP per capita for Northern Cyprus was $1,430.66. At this point, the GDP per capita for both areas are virtually identical. Even though the total GDP is much higher for Cyprus, Northern Cyprus has a much lower population. In 1977, the population of Cyprus sat at 655,525, while the population of Northern Cyprus was 145,000. But the differences in GDP per capita really start showing around the time that Northern Cyprus declares independence, in 1983. At this point, the GDP per capita of Cyprus has risen to $4,091.05, while the GDP per capita of Northern Cyprus is $1,287.73, which is actually *lower* than the 1977 figure. This means that in six years, the GDP per capita between the north and the south went from virtually identical to Cyprus having a GDP per capita over three times that of Northern Cyprus. This is due mainly to the economic embargo that Cyprus imposed over the northern part of the island, and convinced the rest of the world to partake in.

Figure 3.8: GDP per Capita Comparison Northern Cyprus and Cyprus



Tax Revenue Comparison

Another factor that goes into economic capacity concerns whether states and unrecognized states are able to effectively tax their populations (collect revenue) and use this revenue for state building. According to the OECD, "It can be regarded as one measure of the degree to which the government controls the economy's resources".[133] Tax revenue includes taxes on: income, profits, social security, goods and services, payroll, ownership and transfer of property, and other taxes.[134] States unable to collect adequate revenue will have consequences not only for the economy, but for security, and providing goods and services to its population. States able to collect enough revenue to fund their state goals are most likely to have a sophisticated apparatus and institutions that ensure money is collected efficiently and used for intended purposes.

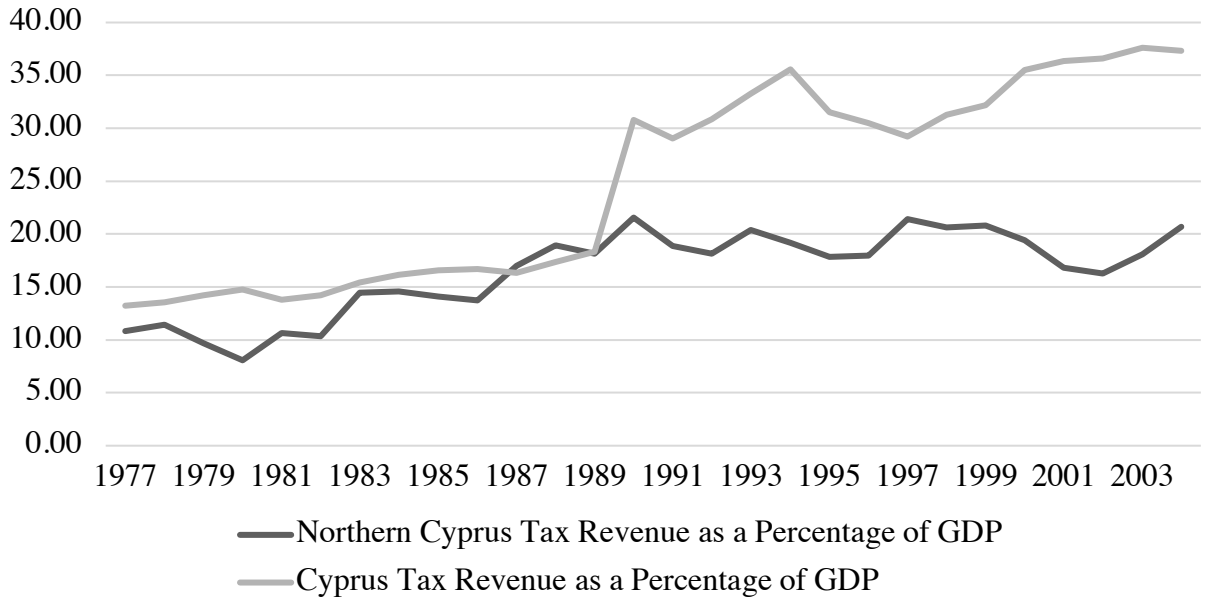
[133] "Tax Revenue," OECD Data, 2019, https://web.archive.org/web/20200902182613/https://data.oecd.org/tax/tax-revenue.htm.
[134] "Tax Revenue."

In this section, I compare tax revenue as a percentage of GDP between the Republic of Cyprus and Northern Cyprus. What percentage of the GDP is coming from taxes? Notably, tax revenue as a percentage of GDP does not include foreign aid, which makes up a substantial portion of Northern Cyprus' budget and GDP (this will be discussed in the following section).

Tax revenue percentages are readily available for recognized states from the World Bank, but less readily available for de facto states. In order to approximate the tax revenue percentages for Northern Cyprus, I use statistics available from the TRNC State Planning Organization. In Figure 3.9 below, I find that overall (from 1977-2004), the Republic of Cyprus has a higher percentage of their GDP that comes from tax revenues, whereas Northern Cyprus has a lower percentage of their GDP that comes from tax revenues.[135] For both, as their economies grow, so does their tax revenue as a percentage. The largest gap is apparent in the 2000s, where the Republic of Cyprus has a tax revenue percentage ranging from 35-37%, while Northern Cyprus sits at 16-20%. Northern Cyprus has a lower tax revenue primarily due to the fact that Turkish economic aid makes up a large portion of the budget, and additionally, revenue-collecting resources may not be as advanced as on the southern part of the island.

[135] In 1987 and 1988, Northern Cyprus had a slightly higher tax revenue as a percentage of GDP compared to the Republic of Cyprus. In 1987, Northern Cyprus tax revenue was 17%, while Republic of Cyprus was at 16.33%. In 1988, Northern Cyprus tax revenue was 18.94%, while Republic of Cyprus was 17.39%.

Figure 3.9: Tax Revenue Comparison as a Percentage of GDP in Northern Cyprus and Cyprus



Turkish Aid to Northern Cyprus

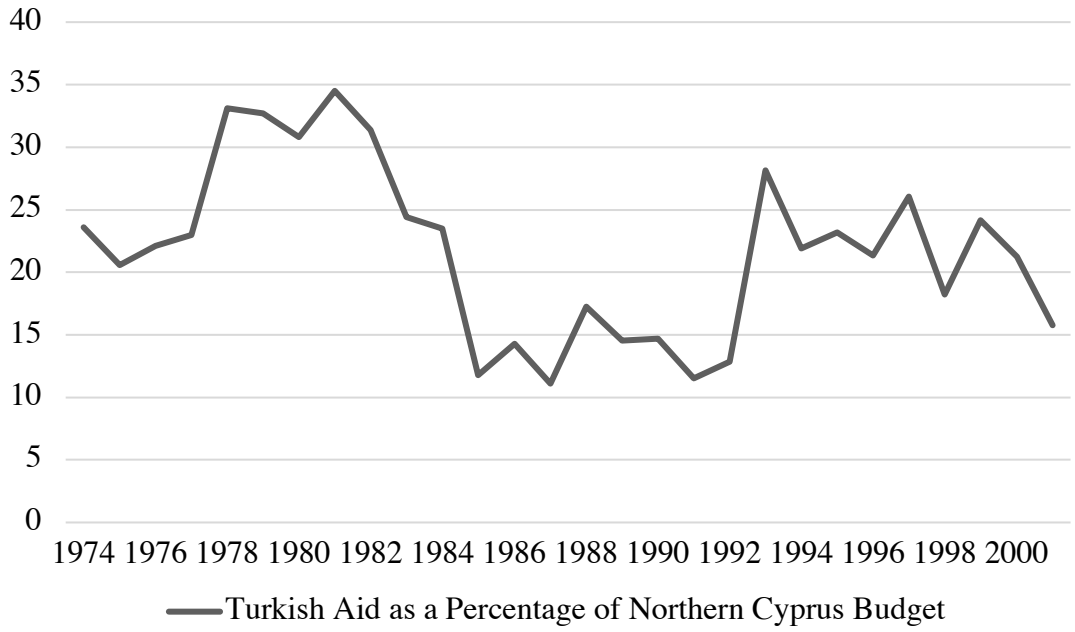
Total economic aid from Turkey to Northern Cyprus totaled around 1.06 billion US dollars from 1974-2004, according to figures reported by TRNC State Planning Organization. On average, Turkey sent 38 million US dollars each year to their compatriots on the northern part of the island. Unsurprisingly, the economy of Northern Cyprus is extremely reliant on Turkey and the Turkish Lira has been the currency since shortly after 1974. This means that economic crises in Turkey have affected the TRNC as well. For example, the TRNC suffered currency instability and high inflation during the 2000-2001 Turkish economic crises.[136]

As the primary provider of economic aid to Northern Cyprus during the period of 1974-2004, Turkish aid represents a significant portion of the TRNC budget. Feridun notes that

[136] Pelagidis, Theophanous, and Tirkides, "An Anatomy of the Economy of the 'Turkish Republic of Northern Cyprus' (TRNC).", p. 2.

Turkish aid represents 15-35% of the budget of Northern Cyprus.[137] My calculations support this assertion for the time period I examine. I find that Turkish economic aid accounts for an average of 22% of the budget from 1977-2004. The lowest year was in 1990, with 11% of the budget, while the highest year was in 1984, with 35% of the budget. The figure below represents these percentages visually.

Figure 3.10: Turkish Economic Aid to Northern Cyprus as a Percentage of Total Budget



Institutions and State Building Over Time

As a long-standing de facto state (since 1974), Northern Cyprus has the advantage of time, meaning it had most of the institutions in place that recognized states possess. Decades of

[137] Mete Feridun, "Foreign Aid Fungibility and Military Spending: The Case of North Cyprus," *Defence and Peace Economics* 25, no. 5 (September 3, 2014): pp. 499–508, p. 506, https://doi.org/10.1080/10242694.2013.763628.

existence as a de facto state allowed state building to grow, despite economic isolation imposed by the south, and reliance on its patron, Turkey. On the other hand, as a recognized state, the Republic of Cyprus had no need to create new institutions after the loss of the northern part of the island. Additionally, a big cause of the gap in administrative capacity came from the fact that Northern Cyprus was unable to effectively trade or have relations with any other state (besides Turkey). Cyprus was effective in shutting out Northern Cyprus, and unlike in the case of other de facto states (such as Taiwan, Somaliland, Transnistria), the international community was firm in its isolation. Nonrecognition itself is problematic, but other de fact states have found ways around it. Isolation, on the other hand, to the degree that Northern Cyprus experienced, had a much more pernicious effect on the de facto state's ability to grow economically and invest in its institutions.

A count revels that Northern Cyprus possesses all the institutions that recognized states have.[138] In the transitional period between 1974-1983, when the Turkish Republic of Northern Cyprus had not yet been declared, Northern Cyprus had 9/10 institutions, and by 1983, it had added foreign affairs. It is important to note that even though foreign affairs and diplomatic overtures were made by the newly declared de facto states, it did not mean they could avail themselves of them, as the Republic of Cyprus had been effective in convincing the rest of the world on thoroughly ignoring Northern Cyprus.

[138] Florea, "De Facto States in International Politics (1945-2011): A New Data Set.", p. 16.

Table 3.3: Institutions in Northern Cyprus[139]

Year Established	Institution
1974	Executive System
1974	Legislature
1974	Legal System
1974	Tax System
1974	Education System
1974	Welfare System
1974	Media
1974	Police
1974	Banking System
1983	Foreign Affairs

With institutions in place, how well did Northern Cyprus implement the tools of state building? At its inception, Northern Cyprus had only a moderate degree of state building. This meant that it had most institutions in place, save for diplomatic affairs, but nevertheless there existed a modicum of resources for basic governance. It could be said that the early years of TRNC de facto statehood were not overly focused on building state institutions for the purposes of legitimacy, but rather to ensure separation from the parent state. Additionally, the conflict between Turkish Cypriots and Greek Cypriots was still very much a "hot" conflict, meaning that security took a higher priority.

After the declaration of independence in 1983, state building evolved to a higher level, with TRNC authorities putting more resources into extraction (taxation) and redistribution, as well as investment into other civilian structures, such as education and welfare. Due to continued nonrecognition and pariah status from the international community, Northern Cyprus was still not able to build a robust diplomatic presence and had to continue to rely on Turkey not only for

[139] Florea 2014, pp. 16-17, and author's dataset.

military support, but also economic support. Since I look at the period up to the Annan Plan vote in 2004, my comparison of administrative capacity will reflect that.[140] For the time period up to 2004, Northern Cyprus had a decidedly lower level of administrative capacity than its neighbor to the south, the Republic of Cyprus.

The administrative capacity of Northern Cyprus is quite high for a de facto state, but it is lower than the Republic of Cyprus. This development gap is often attributed to nonrecognition and economic isolation of TRNC.[141] What economic isolation and nonrecognition do is hinder economic growth. In turn, this affects institution building and goal setting by the de facto state, which leads to a lower administrative capacity.

From 1974-1982, Northern Cyprus was regarded as having a moderate degree of state building capacity. This is the period in which Turkish forces took over 1/3 of the island and ended with the declaration of independence in 1983. A moderate degree of state building means that the de facto state controls the territory, provides physical security, and allocate resources for civilian governance. This means that some funds, though not many, are given to areas of public administration, education, health, and other welfare systems.[142] Why did Northern Cyprus start out at a moderate degree of state building and not low? Prior to the split, both communities were already quite ethnically divided. Unlike other de facto states that needed to build a state from the ground up, Northern Cyprus had some of the requirements necessary to function, like police and media.

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[140] This is important because following the Annan Plan vote, where Turkish Cypriots voted in favor, and Greek Cypriots voted against, the international community "rewarded" the Turkish Cypriot community with increased engagement. Northern Cyprus was able to establish representative offices in several countries. In the post-2004 period, Florea codes Northern Cyprus as having the highest degree of state building (very high) due to the ability of Northern Cyprus to conduct external relations with other countries (other than Turkey).

[141] Varnava and Faustmann, *Reunifying Cyprus: The Annan Plan and Beyond,* p. 143.

[142] Florea, "De Facto States in International Politics (1945-2011): A New Data Set.", pp, 15-16.

From 1983-2003, Northern Cyprus had a high degree of state building. A high degree of state building means that more sophisticated means of extraction and redistribution are expected, as well as internal security (not just external), courts, and ministries.[143] After "officially" becoming a de facto state in 1983, Northern Cyprus was able to invest more into government structures. It is unclear whether the increased state building prompted the declaration of the Turkish Republic of Northern Cyprus, or whether the declaration itself spurred the government to increase its administrative capacity.

Notably, during this time period (1974-2004), Northern Cyprus does not achieve the highest measure of state building, "very high". As one of the more advanced de facto states, why is this the case? To achieve a "very high" degree of state building, a de facto state must be able to conduct "external relations, have representative offices abroad (pseudo-embassies), and commercial relations with international partners".[144] Even though institutions that serve their own populations may be present and robust, internal affairs are not the end all and be all of states, recognized or otherwise. In order to grow, expand, and serve its citizens more effectively, de facto states need the ability to interact with the outside world, and this was not possible for Northern Cyprus for many years. By imposing isolation and ensuring all but one state followed suit, the Republic of Cyprus ensured that Northern Cyprus would never become a truly functional or viable state.

[143] Florea, p. 16.
[144] Florea, p. 16.

Table 3.4: State Building Over Time in Northern Cyprus

Year	Degree of State Building
1974-1982	Moderate
1983- 2003	High

Income Classification: High Income vs. Middle Income

The World Bank classifies countries into four income categories: low income, lower-middle income, upper-middle income, and higher income. The Republic of Cyprus is classified as an upper middle-income country in 1987, and then a high-income country from 1988-2004.[145] The goal of this section is to determine the income classification of Northern Cyprus, which is not available, being an unrecognized state. Income classification is determined by calculating the gross national income (GNI) per capita. GNI is determined by adding GDP plus income from overseas sources. For Northern Cyprus, this means specifically GDP plus Turkish economic aid.

Northern Cyprus Income classification = (GDP + Turkish economic aid) / population

Each year, the World Bank publishes the GNI per capita necessary to fall into each category. To calculate the income classification standing for Northern Cyprus, I added the total GDP plus economic aid, converted from Turkish Lira to US Dollar for each year, then divided by the population for each year. Then I compared the GNI per capita for Northern Cyprus to the income brackets the World Bank provides for classification into either low income, lower middle income, upper middle income, or high income.

[145] 1987 is the first year the World Bank tracks income classification.

Table 3.5 (below) shows Northern Cyprus would classify as an "Upper Middle Income" country under the World Bank classification system.[146] As Cyprus is classified as a "High Income" country, we can see that both sides of the islands had different economic outcomes following the creating of the de facto state on the north of the island.

Table 3.5: Income Classification for Northern Cyprus

1987	**$2,152.43**	**Upper Middle**
1988	$2,107.31	Lower Middle
1989	$2,582.41	Upper Middle
1990	$3,539.42	Upper Middle
1991	$3,246.27	Upper Middle
1992	$3,448.16	Upper Middle
1993	$3,621.52	Upper Middle
1994	$3,157.92	Upper Middle
1995	$4,265.24	Upper Middle
1996	$4,616.19	Upper Middle
1997	$4,064.93	Upper Middle
1998	$4,672.03	Upper Middle
1999	$4,979.86	Upper Middle
2000	$5,458.98	Upper Middle
2001	$4,533.53	Upper Middle
2002	$4,725.59	Upper Middle
2003	$6,367.34	Upper Middle
2004	$8,454.10	Upper Middle

[146] Except for 1988, when it would be a Lower Middle-Income country.

The Enticement of the European Union

Membership in the European Union was one of the greatest enticers for the Turkish Cypriot community to embrace Annan V and vote towards reunification.[147] The Turkish Cypriot community was eager to bear the costs of reunification as this would result in increased GDP, more trade, freedom of movement, more employment opportunities, and the use of the Euro.[148] As shown with previous tables and graphs, the economy of Cyprus was in an enviable position compared to Northern Cyprus, and was set to reap even more benefits in the EU, which would further widen the economic gap between the north and the south of the island. The Annan Plan provided for the earliest possible convergence of the two islands under a federal roof.[149] Reunification would also create fast and sustainable growth for both constituent states on the island. This was calculated to be a GDP growth of about 5-5.5% for the south and 7.5% for the north from a 5-10 year period.[150]

Economic and Administrative Capacity Review

When it comes to economic and administrative capacity, the Turkish Republic of Northern Cyprus is comparatively weaker than the Republic of Cyprus. This can be mainly attributed to nonrecognition and economic isolation, which in turn led to decreased economic power and state building. Since the Turkish invasion in 1974, the Republic of Cyprus has been successful in making sure that the TRNC is unable to interact economically with the global community and making them reliant one only one state: Turkey. While having a strong patron

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[147] Varnava and Faustmann, *Reunifying Cyprus: The Annan Plan and Beyond,* p. 151; Geldenhuys, *Contested States in World Politics*., p. 183.
[148] Varnava and Faustmann, *Reunifying Cyprus: The Annan Plan and Beyond*., p. 251.
[149] Varnava and Faustmann, p. 136.
[150] Varnava and Faustmann, p. 142.

provides benefits to Northern Cyprus, in the form of military and economic aid, this also means that Northern Cyprus is vulnerable to the ebbs and flows of the Turkish economy. Furthermore, Northern Cyprus cannot trade its goods with the rest of the world directly. They must all pass through Turkey first.

Lower economic and administrative capacity between Cyprus and Northern Cyprus is evident on several fronts. First, I find a large gap between both economies in terms of total GDP and GDP per capita. Quite simply, residents in the north have a much smaller pie (total GDP) to take from, and their cut of pie is also much smaller (GDP per capita), even though there is a much smaller population. Additionally, compared to Cyprus, Northern Cyprus does not obtain as much tax revenue from its citizens. As a result of limited revenue streams, Northern Cyprus relies on Turkey to supplement and make up a large portion of its annual budget. Without this aid, it is unclear how viable the Turkish Cypriot de facto state would be.

While Northern Cyprus possesses all the institutions of a state, the early years did not prove to be a time of high-level state building, which meant that more resources had to be used for security. This meant that other public goods and services went without, which comes up short when compared to the Republic of Cyprus. Even once Northern Cyprus achieved a “high” degree of state building, it still suffered the effects of nonrecognition and isolation in that no other state would interact with them on the international arena.

In terms of how to classify the two economies, the Republic of Cyprus once again comes out on top, being rated as a “High Income” country. While de facto states are not included in World Bank data, where these income classifications occur, I nevertheless calculated the required elements for Northern Cyprus to determine their place in world economies. Northern Cyprus would be a step below the income classification ladder, being rated “High Middle

Income" for the period from 1987-2004. Once again, Turkish economic aid plays a large role in ensuring that Northern Cyprus is at this level, and not lower.

With economic differences thoroughly compared, it is easy to see why the enticement of European Union membership played a large role in convincing the resounding majority of Turkish Cypriots to vote towards reunification. Reunification coupled with EU membership would mean that the economic gap between both parts of the island would start to close, and make sure that citizens in the north could strive towards a higher standard of living.

Conclusion and Policy Implications in the Cyprus Problem and Beyond

This chapter has highlighted the case of Northern Cyprus. What prompted the shift from a pro-independence to a pro-reintegration stance? Specifically, why was Northern Cyprus willing to give up their hard-fought de facto statehood in exchange for becoming one part of a federal state? In sum, the Northern Cyprus' isolation and economic situation made it so that the benefits of becoming a federal state and joining the European Union outweighed the costs of giving up military security provided by Turkey. This is evidenced by the vote on the Annan Plan and the presidential election, which both reaffirmed the willingness to solve the Cyprus Problem.

Policy implications can be derived from this case. Mainly, it concerns the future of the Turkish Republic of Northern Cyprus. In interviews with government officials, it was my impression that the status-quo was the preferred option for now because neither side has a burning desire to reunify.[151] Cyprus has no desire to cooperate since they are part of the EU now.

[151] Interviews with officials from Northern Cyprus took place from 14-20 May 2019 with former and current government officials. Interviews took place in various locations across Northern Cyprus and the Republic of Cyprus: Eastern Mediterranean University in Famagusta, Northern Cyprus, a furniture store in Lefkosa, a restaurant in Lefkosa, and the border zone between the north and the south. In addition to these interviews, the author had prior and follow up communications over email.

Even though Greek Cypriots voted against the deal, they were still rewarded with EU membership. The international community rewarded Northern Cyprus *somewhat*, in that aid was released to the northern part of the island by the EU, and more trade now occurs between the north and the south. Residents of both parts of the island can now travel to and from and Turkish Cypriots can apply for EU passports and work in the south. The population itself is ambivalent about reunification now owing to the amount of time passed between the failure of Annan V and the present.

Furthermore, the energy dispute from 2018 regarding the exclusive economic zone (EEZ) of Cyprus has now ensnared Turkey, Greece, and Northern Cyprus.[152] Turkey, acting on behalf of Northern Cyprus, has started drilling in the area. Northern Cyprus, as a self-declared state, believes it has a right to explore the region for energy, just as the Republic of Cyprus does. All of my interview subjects stressed that the energy crisis was a negative in regard to solving the Cyprus Problem, and would most likely worsen tensions, not improve them. While the future does not look particularly bright, it is worth exploring the conditions under which Northern Cyprus was willing to be part of a federal system. In the same vein, this can also be viewed as a case where development and growth can occur even without recognition, even considering substantial barriers.

[152] Dimitar Bechev, "The Cyprus Crisis Is about Geopolitics Not Energy Profits," Ahval, 2019, https://web.archive.org/web/20200902183012/https://ahvalnews.com/eastern-mediterranean/cyprus-crisis-about-geopolitics-not-energy-profits.

Chapter 4: Taiwan and the Status Quo

In this chapter, I show that Taiwan's strategy for sovereignty, continuing the status quo, emerges as a result of the state capacity relationship with its hostile parent state, China. While Taiwan may win out on several key economic and administrative indicators, namely GDP per capita and income classification, it is nowhere near enough to overshadow the massive economic might of mainland China. Furthermore, Taiwan's military capacity as compared to China is dwarfed in every category, with the gap only looking to increase in the coming years. Taiwan's saving grace is the relationship with its patron state, the United States. The support of the United States through military aid and promises to aid Taiwan in a potential invasion make it costly for China to take action to win back the wayward province through military means. While the United States' support is substantial and necessary, it does not itself extend recognition to Taiwan, due to the potential for this to ignite tensions with China.

Despite material capabilities coming up short against the parent state, Taiwan is not willing to acquiesce to a reintegration with China. Decades of de facto statehood mean that Taiwan has carved out its own existence and character on the world stage. While China wages a fierce derecognition campaign against the island, Taiwan nevertheless enjoys recognition from a handful of states, as well as membership or observer status in several international organizations. The most striking difference between the mainland and the island would have to be their political systems. On one hand, Taiwan is a consolidated democracy, enjoying the highest level of freedoms in Asia, and in fact the world. China, on the other hand, is an authoritarian regime notorious for its lack of political freedoms and propagation of human rights abuses. While Taiwan's history as a state, and then a de facto state, includes an authoritarian past, they now have free and fair elections, and peaceful transfers of power between the two main political

parties. These startling differences have resulted in Taiwanese society etching out a Taiwanese identity, one wholly separate and complete from those on the mainland. In turn, this contributes to the attitudes that reject unification. Most of the Taiwanese public and political leaders are aware of the risk that a declaration of independence would bring, however. Therefore, pragmatism, and a willingness to avoid a hot conflict with China, make the status quo the most attractive option for now.

Theory: Taiwan's Status Quo Spectrum

The 2020 presidential elections in Taiwan gave incumbent Tsai Ing-wen and the Democratic Progressive Party (DPP) a second term, and more importantly, showed that residents of the island backed her tough China stance, which looked to reject the "One Country, Two Systems" Hong Kong model proposed by Xi Jingping. Tsai Ing-wen won the election with the most ever votes, buoyed in part by the campaign's focus on issues of sovereignty, democracy, rejection of the 1992 consensus, and the role of the Hong Kong anti-government protests (Kao and Chang 2020).[153] Voters thoroughly rejected the Kuomintang (KMT) candidate, Han Kuo-yu, who ran a more mainland-friendly campaign.

Polls taken over the last two decades show that a majority of Taiwanese reject the premise of unification with China, despite China's rising influence on the world stage. A 2005 poll conducted by the Mainland Affairs Council found that 31 percent of respondents want the status quo to continue, with a decision on Taiwan's status made down the line. 25.8 percent of

[153] The 1992 Consensus states that there is only "One China", while still allowing for disagreement between the two sides on which is the legitimate governing body. Additionally, the understanding is the Taiwan will not seek independence. Eleanor Albert, "Unpacking the China-Taiwan Relationship," *Council on Foreign Relations*, January 22, 2020, https://web.archive.org/web/20200828000509/https://www.cfr.org/backgrounder/china-taiwan-relations.

respondents wanted the status quo indefinitely, and 21.7 percent want to keep the status quo now, and pursue independence down the line. Together, this means that 78.5 percent of respondents prefer the status quo, at least in the present.[154] Even with more choices presented, a majority of Taiwanese respondents prefer the status quo to other choices. Notably, Chinese pressure on countries to revoke Taiwanese recognition, protests in Hong Kong, and authoritarian actions within China make it so that the majority of Taiwanese feel like the Chinese system is incompatible with a now democratic Taiwan.

In 2017, pollsters found that three quarters of Taiwanese people consider Taiwan and China separate countries, with most of these respondents preferring eventual independence or status quo.[155] A 2018 poll showed that 38.3 percent favored independence, 24.1 percent were satisfied with the status quo, while 20.1 percent favored unification.[156] Remarkably, this showed a 12.9 percent *decrease* in support for independence since 2016, which meant that support for independence had a 51.2 percent preference just two years earlier.[157] Moreover, a majority of citizens favor an independence referendum.[158] Recent polls support the previous trends, with the main takeaway being that cross-strait relations and international events are driving forces behind the Taiwanese rejection of unification.

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[154] Mainland Affairs Council, "Public Opinion on Cross-Strait Relations in the Republic of China" (Taipei, 2005), https://web.archive.org/web/20200905193215/http://ws.mac.gov.tw/001/Upload/OldFile/public/MMO/MAC/9411e_1.gif.

[155] Taiwan Brain Trust, "Chinese People Set a View on Panama's Diplomatic Relations with Taiwan" (Taipei, 2017), https://web.archive.org/web/20200905191751/http://braintrust.tw/%E7%A0%94%E7%A9%B6%E5%87%BA%E7%89%88/%E6%B0%91%E6%84%8F%E8%AA%BF%E6%9F%A5/ Wei-han Chen, "'Normalization' Support at 90%," *Taipei Times*, June 21, 2017, https://web.archive.org/web/20200905192142/https://www.taipeitimes.com/News/front/archives/2017/06/21/2003672967.

[156] Renée Salmonsen, "Public Favor for Taiwan Independence Sours," *Taiwan News*, March 19, 2018, https://web.archive.org/web/20190904022132/https://www.taiwannews.com.tw/en/news/3385076.

[157] Salmonsen.

[158] Salmonsen.

Taiwan Status Quo Model

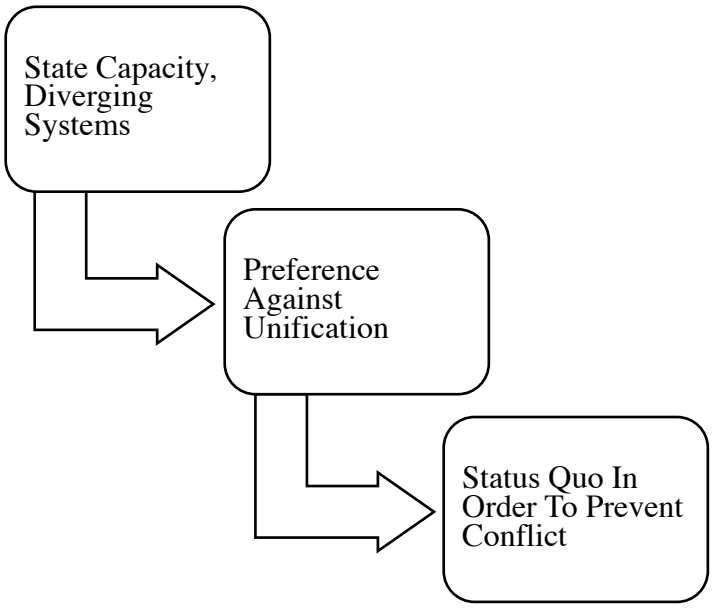
Taiwan's preference for the status quo arises for several reasons. First, the state capacity comparisons between Taiwan and China reveal strengths and weaknesses for both sides. China's military power and spending is much higher than Taiwan's, but patron support from the United States means that Taiwan is at parity, *for now.* The economic and administrative capacity picture is mixed, with China coming out ahead in total economic indicators, and Taiwan coming up higher in quality-of-life indicators. In addition to material capabilities, the Taiwanese populace and leaders are also driven by their desire to carve out a separate Taiwanese identity. This is compounded by the two territories' complete divergence in political systems: one a democracy, another an autocracy.

Material capabilities, coupled with diverging systems leads to a preference against unification. In all, there are three general strategies or preferences for Taiwan (or any de facto state really): (re)unification with the parent state, status quo, or independence. Polls show that an overwhelming majority of Taiwanese prefer either: 1) status quo in some form (most popular option, or 2) declaration of independence, either now or down the line. However, political leaders of both major parties are aware that a declaration of independence would trigger a crisis at best, and a war at worst. Therefore, status quo becomes the most viable, and pursued option.

Below I present a figure that illustrates Taiwan's model of status quo preference. It begins with state capacity and diverging systems. This makes it so that a preference against unification is the most preferred option. It would be easy to stop there and write about why Taiwan is not interested in unifying with China in light of their rising power. However, the fact that the Taiwanese so thoroughly reject unification as an option means that another question is more interesting: why status quo when the Taiwanese identity and system is so different from

China? The last part of the illustration shows that even though the overall preference is against unification, the status quo is the most viable option for leaders in order to prevent conflict from China. This arises due state capacity differentials, diverging systems, and China's position on the world stage. This includes it being a member of the P5, ensuring that any application for full membership would be vetoed.

Figure 4.1: Taiwan Model for Status Quo



The first thing to note about the strategy of continuing to pursue the status quo is that it is foremost a rejection of unification with mainland China. Most Taiwanese consider themselves to have a separate identity than mainlanders, and their approval of the current democratic system in place is in stark contrast to the authoritarian regime in China. Rejecting unification means that the remaining choices are either independence or the status quo.

Second, pursuing the status quo has occurred in a spectrum. Compared to the DPP, the KMT is more conciliatory in its approach to China and is vehemently against a declaration of independence. Their goal is to increase trade and economic interdependence with China, and they accept the 1992 consensus as a starting point for any future negotiations with the Chinese government.

The DPP in contrast, rejects the 1992 consensus that posits that Taiwan is part of "One China", which leaves the possibility for Taiwanese independence on the table. In January 2019, Taiwanese President Tsai Ing-wen responded to Chinese President Xi Jingping's message to Taiwan, which called for the "One Country, Two Systems approach".[159] In this speech, President Tsai Ing-wen rejects this proposal, and further states that "they" have never accepted the 1992 Consensus. " They" in this case being the DPP. She also claims that the DPP's opposition to the 1992 Consensus arises in part because most Taiwanese also reject the premise of the 1992 Consensus and do not agree with it. However, in the present, they do not wish to unilaterally change the status of Taiwan. The DPP represents the other end of the spectrum of status quo, one that is sure-footed in its defense of Taiwanese democracy and place in the world.

Overall, most Taiwanese prefer the status quo, and the two major parties in some way support the continuation of it. The situation with China, the parent state, makes it so that status quo is the best option in order to prevent a conflict. The decision to keep pursuing the status quo, which leaves Taiwan without recognition from most states, and actively fighting further derecognition does not arise due to low state capacity on Taiwan's part—in fact, Taiwan's state capacity rivals and beats most recognized states. Taiwan does not suffer the pariah status of other

[159] Republic of China Office of the President, "President Tsai Issues Statement on China's President Xi's 'Message to Compatriots in Taiwan,'" 2019, https://web.archive.org/web/20200905193449/https://english.president.gov.tw/News/5621.

de facto states. Its economy is not merely viable, it is the 5th largest in Asia and 15th in the world.[160] And at 23 million inhabitants, it can hardly be considered a microstate, like South Ossetia or Nagorno-Karabakh. Rather, the preference for status quo arises due to the relationship with its parent state. Without China, Taiwan would no doubt thrive as a normal, recognized state, with all the frills and bows that brings. A conflict with China would not only threaten Taiwan's physical security, but likely its economic security as well, as the mainland is Taiwan's largest trading partner (at 30 percent), leading to an increasing level of economic interdependence. Although Taiwan has sought to diversity their investments with other states, trade between Taiwan and China was still a high $150.5 billion in 2018.[161]

The United States and Taiwan

In 1979, eight years following the loss of Taiwan's UN seat, the United States undertook two actions: it signed the Taiwan Relations Act in law and issued a joint communique that affirmed the People's Republic of China as the legitimate government. These two actions set the precedent for the United States – Taiwan relationship that stands today. The latter, in addition to affirming the People's Republic of China legitimacy, also stated that there is one China, and that Taiwan was part of China.[162] By recognizing China as the legitimate authority, this at the same time meant derecognition for Taiwan, who now had to contend with life as a de facto state.

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[160] Hilmi Ulas, "The Democratization of Unrecognized States: A Comparative Study" (2017), p. 362.
[161] Republic of China. Bureau of Trade, Ministry of Economic Affairs, "Trade Value," *Bureau of Foreign Trade*, 2018.
[162] U.S. Department of State, "Joint Communique On The Establishment Of Diplomatic Relations Between The United States Of America And The People's Republic Of China January 1, 1979," U.S. Department of State, 1979, https://web.archive.org/web/20200905195456/https://photos.state.gov/libraries/ait-taiwan/171414/ait-pages/prc_e.pdf.

Despite the official loss of U.S. support, there was the assertation that the United States would continue to maintain cultural, commercial, and other unofficial relations with the people of Taiwan. This matters significantly, because it sets the United States – Taiwan relationship as one of patron and unrecognized state. It makes apparent that the United States will continue to support Taiwan, specifically in any action that China might undertake.

This commitment to Taiwan is bolstered in the Taiwan Relations Act. In it, the United States stated that it would "consider any effort to determine the future of Taiwan by other than peaceful means of grave concern to the United States ".[163] The law says the United States can come to the aid of Taiwan, and allows for the sale of arms, but it is vague and ambiguous on whether it actually would, or whether that commitment is bound into law. This moderated both China and Taiwan's behavior. It makes it so that both do not undertake actions that might trigger a crisis: either military action or unilateral declaration of independence. The United States also benefits because its "One China" policy ensures, to the extent that it can credibly commit, stability and peace in the Asia-Pacific. This stability and peace have directly translated to economic development for both China and Taiwan.[164]

Exploring Alternative Explanations for Taiwan's Strategy

Like the case of Northern Cyprus, the issue of identity cannot be divorced completely from Taiwan's preference for status quo. While an alternative explanation, it serves to complement the structural, state capacity theory.

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[163] Clement J. Zablocki, "H.R.2479 - 96th Congress (1979-1980): Taiwan Relations Act" (1979), https://web.archive.org/web/20200905195638/https://www.congress.gov/bill/96th-congress/house-bill/2479.
[164] Richard N. Haass, "The Looming Taiwan Crisis," *Council on Foreign Relations*, February 15, 2019, https://web.archive.org/web/20200905200156/https://www.cfr.org/article/looming-taiwan-crisis.

Taiwan's identity as different from China can be traced to their different political systems and practices. Despite being only eighty-one miles away from the coast of China, both territories experience political life very distinctly. Taiwan's democratic success has meant a different way of life for citizens on the island, but it also serves to widen the differences with those on the mainland. It makes China's eventual goal of reunification more menacing, as it is difficult to imagine how to integrate 23 million residents accustomed to democracy to an opposing system. Furthermore, the Hong Kong experience of "One Country, Two Systems" has shown that this method of government rule is fraught with problems and tensions, which could lead to violence. "One Country, Two Systems" allows for some autonomous rule for Hong Kong, while recognizing the "One China" policy. Taiwan has already rejected this offer of governance, and this seems to be the largest concession that China would make.[165] Even in Hong Kong, the "One Country, Two Systems" is not meant to be permanent.

The transition to a consolidated democracy began in 1996, and since then Taiwan has experienced three peaceful transfers of power between the Kuomintang (KMT) and the Democratic People's Party (DPP).[166] Taiwan experienced authoritarian rule under the KMT starting in 1945, and ending about four decades later, when the DPP, the main opposition party, was allowed to participate in elections. Democratic transition occurred under the KMT due to a variety of reasons, chief among them being economic development. Since then, Taiwan has operated under a semi-presidential system, which elects a president every four years (eligible for two terms), and also holds parliamentary elections.

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[165] Yimou Lee, "Taiwan Leader Rejects China's 'one Country, Two Systems' Offer," *Reuters*, October 9, 2019, https://web.archive.org/web/20200905194654/https://www.reuters.com/article/us-taiwan-anniversary-president/taiwan-leader-rejects-chinas-one-country-two-systems-offer-idUSKBN1WP0A4.
[166] Richard Bush and Ryan Hass, "Taiwan's Democracy and the China Challenge," 2019, https://web.archive.org/web/20200905194923/https://www.brookings.edu/research/taiwans-democracy-and-the-china-challenge/, pp. 1-2.

The Taiwanese people themselves highly favor a democratic system over an authoritarian one. In 2010, 90 percent of respondents in the Asian Barometer polls reported that democracy was still the best form of government, while 88 percent agreed in 2014.[167] This is not to say that democracy is not without issues, but it is preferred over other forms of government. Authoritarian actions, such as getting rid of elections and having a "strong leader", allowing only one-party rule, or having the military govern the country were unpopular stances in Taiwan.

While Taiwan and China conduct trade and investment, the semblance of high-levels of cross-Strait relationships has caused issues for Taiwan. In 2014, President Ma Ying-jeou's plan to have a trade pact with China led to the Sunflower movement.[168] The protestors of the Sunflower movement argued that increased economic and social relations with China would create favorable conditions to eventual political integration.[169] The Sunflower movement was vital in establishing the way for the first term of Tsai Ing-wen, who promised to diversify Taiwan's trade and protect Taiwan's democracy, while maintaining the current status quo in cross-Strait relations.

Finally, the differences between Taiwan and China's systems of government are readily apparent in their Freedom House scores, which tracks political rights and civil liberties. Between Taiwan and China, the differences could not be starker. From 1999-2019, Taiwan is rated as "Free" every single year. China, from 1999-2019, is rated as "Not Free", and records the second highest score available for each year.[170] This only further serves to amplify the gap apparent in

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[167] Yun-Han Chu et al., "Re-Assessing the Popular Foundation of Asian Democracies: Findings from Four Waves of the Asian Barometer Survey," 2016, https://web.archive.org/web/20200905195226/http://www.asianbarometer.org/publications/.
[168] So named because of the protestor's use of sunflowers during demonstrations.
[169] Bush and Hass, "Taiwan's Democracy and the China Challenge." pp. 10-11.
[170] Freedom House scores range from 1.0 (most freedom) to 7.0 (least freedom), in increments of 0.5. China scores 6.5 each year (Freedom House 2019).

democratic vs. authoritarian systems for Taiwan and China. In other words, what does the future hold, as both territories drift further apart in how they govern? How far will the Taiwanese go in protecting their democracy? And who ensures Taiwan's future while China rises?

The issue of identity makes it very clear that the people of Taiwan, and the government of Taiwan, have a strong disinclination to reunite with mainland China. However, it cannot fully explain Taiwan's status quo preference. Alone, the strong Taiwanese identity the de facto state has carved out for itself might lead one to think that independence is the preference. This fails to lay out the nuance of the relative capacity between Taiwan and China, and how that factors heavily into Taiwan's calculations. In the next sections, I highlight why Taiwan's preference leans towards status quo, rather than independence. This is because of the relative state capacity between the de facto state and the parent state being precariously similar.

China's Plans for the Future of Taiwan

Although China seemingly advocates for peaceful unification with Taiwan, they have not, and likely will not, take military action off the table, and their modernization plans and increasing capabilities only highlight this.[171] They have never renounced the use of force as an option to take back Taiwan. Additionally, they are not only increasing spending on traditional military capabilities, but also putting it toward advanced military capabilities that would necessitate a military campaign.

Furthermore, the 2005 passage of an Anti-Secession Law stated that force would be acceptable in the event of a declaration of independence, and this law focuses exclusively on

[171] Office of the Secretary of Defense, "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019," 2019, https://web.archive.org/web/20200902104950/https://media.defense.gov/2019/May/02/2002127082/-1/-1/1/2019_CHINA_MILITARY_POWER_REPORT.pdf.

Taiwan, as well as resting heavily on the "One China" principle.[172] 2019 saw President Xi Jingping reiterate this sentiment in a speech. In fact, he went even farther than to simply condemn secessionist sentiment, by noting specifically that unification was the goal, and force would be permissible.[173] China has made it clear that a unilateral declaration of independence on the part of Taiwan is their red line and would precipitate military action. While China is taking steps to ensure that their military superiority over Taiwan deepens, it is unclear whether they will only strike *if* a declaration of independence is made or if it will be *when* they believe they have the most advantage.

Military Personnel

The Taiwanese military capacity at first glance also seems much weaker than its parent state (China), looking only at raw numbers of military personnel--290,000 vs. over 2,000,000.[174] A 2019 annual report to the United States Congress put the number closer to 140,000 for Taiwan, while China was estimated at 1,020,000 ground troops, with 360,000 in the Taiwan Strait Area.[175] Like Northern Cyprus however, Taiwan has a strong patron in the United States that it depends on for military support and aid. As a patron, the United States provides a high level of military support with weaponry, foreign military personnel, foreign military advisors, training for

[172] BBC News, "Text of China's Anti-Secession Law," BBC News, 2005, https://web.archive.org/web/20200906181310/http://news.bbc.co.uk/2/hi/asia-pacific/4347555.stm.
[173] CCTV Video News Agency, "40th Anniversary of Issuing 'Message to Compatriots in Taiwan,'" 2019; Chris Buckley and Chris Horton, "Xi Jinping Warns Taiwan That Unification Is the Goal and Force Is an Option," *The New York Times*, January 1, 2019, https://web.archive.org/web/20200906181623/https://www.nytimes.com/2019/01/01/world/asia/xi-jinping-taiwan-china.html.
[174] Florea, "De Facto States in International Politics (1945-2011): A New Data Set."
[175] Office of the Secretary of Defense, "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019.", pp. 115.

(de facto state) troops abroad, and safe havens.[176] Due to a strong patron, I posit that Taiwan's military capacity remains relatively equal to China, for now. Florea's dataset codes Taiwan's military capacity as at parity with China.[177] I make no claims about the longevity of this relatively equal military capability. China's rise means that the calculation and balance of power may shift in the very near future. By "parity" I take into account Taiwan's military capacity, *plus* patron help. Taiwan's own military capacity includes their own personnel, domestic weapons systems, and defense expenditure. However, this does not mean that were a current military conflict to break out, Taiwan and China would be equally matched. For one, this would hinge significantly on how much military support the United States would give Taiwan in the event of a "hot" conflict and not merely in the current "status quo, non-declaration of independence" atmosphere.

The number of personnel can certainly tell us something about if a potential conflict were to break out. How does Taiwan defend itself against the behemoth that is its parent state? Other indicators include military expenditure as a percentage of GDP, total military expenditure, and US military aid.

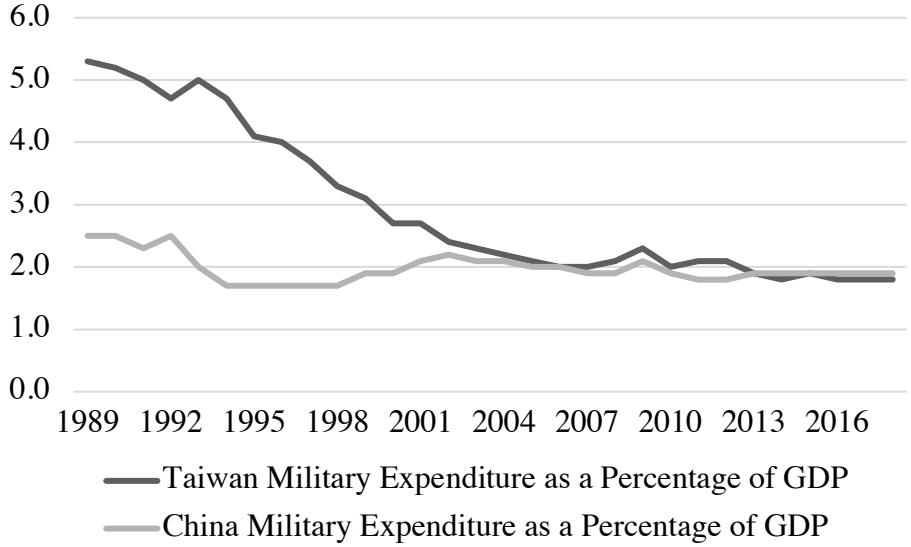
Military Expenditure as a Percentage of GDP

Military expenditure as a percentage of GDP shows how much is being spent on military matters relative to a country's gross domestic product. Starting in 1989, the data shows that during the 1990s, Taiwan was spending a much higher percentage of its GDP (about twice as

[176] Florea, "De Facto States in International Politics (1945-2011): A New Data Set." p. 17, 168.
[177] Florea. p. 21, 168.

much) than China when it came to military expenditures.[178] This tells us that Taiwan was having to expend more of its resources to ensure its safety. Between 1989-1999, Taiwan's military spending as a percentage of GDP ranged from 3.1 – 5.3 percent. Meanwhile, China's ranged from 1.7 - 2.5 percent of its GDP. During this decade, China's highest military expenditure years (1989, 1990, 1992) were still a smaller percentage of GDP than Taiwan's lowest year (1999).

Figure 4.2: Military Expenditure as a Percentage of GDP in Taiwan and China



There are two reasons this is rather unsurprising. One, as a much smaller island territory, it makes sense that Taiwan is having to spend a higher percentage of its GDP towards defense. They simply do not have the same monetary or personnel resources that China can pull from. Secondly, as a (mostly) unrecognized state, Taiwan is not afforded the same "protections" that

[178] Stockholm International Peace Research Institute, "Military Expenditure by Country as Percentage of Gross Domestic Product, 1988-2018," 2018, https://web.archive.org/web/20200902175812/https://www.sipri.org/sites/default/files/Data for all countries from 1988–2018 as a share of GDP %28pdf%29.pdf.

other recognized states have, such as membership in the United Nations. Furthermore, its parent state is part of the UN Security Council, making it unlikely that Taiwan is able to bring forward complaints to the P5 without an automatic veto.

Total Military Expenditure

Military expenditure as a percentage of GDP cannot paint the full picture of military expenditure. While it may be obvious that China is able to have a higher military expenditure overall, it is still important to visualize the vast difference, which is available in Table 4.1.

Table 4.1: Total Military Expenditure in Taiwan and China

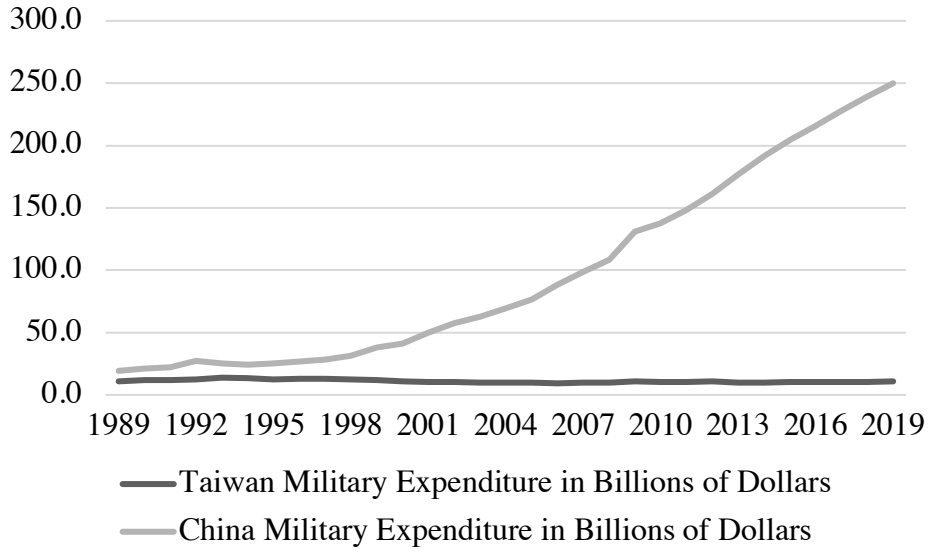
Year	Taiwan	China
1989	$11.1 billion	$19.3 billion
1990	$11.7 billion	$21.0 billion
1991	$12.1 billion	$22.3 billion
1992	$12.2 billion	$27.1 billion
1993	$13.8 billion	$25.0 billion
1994	$13.7 billion	$24.1 billion
1995	$12.7 billion	$25.0 billion
1996	$13.1 billion	$26.6 billion
1997	$13 billion	$28.5 billion
1998	$12.2 billion	$31.2 billion
1999	$12.1 billion	$38.0 billion
2000	$10.7 billion	$41.3 billion
2001	$10.5 billion	$49.8 billion
2002	$10.1 billion	$57.8 billion
2003	$10 billion	$62.5 billion
2004	$10.1 billion	$69.2 billion
2005	$9.7 billion	$76.6 billion
2006	$9.3 billion	$88.3 billion
2007	$9.8 billion	$98.8 billion
2008	$10 billion	$108.2 billion
2009	$10.8 billion	$131.1 billion
2010	$10.2 billion	$137.9 billion
2011	$10.3 billion	$148.7 billion
2012	$10.6 billion	$161.4 billion
2013	$10 billion	$176.5 billion
2014	$10 billion	$191.6 billion
2015	$10.5 billion	$204.2 billion
2016	$10.3 billion	$215.7 billion
2017	$10.5 billion	$227.8 billion
2018	$10.5 billion	$239.2 billion
2019	$10.7 billion	$250 billion

The above table shows how much China and Taiwan on spending, comparatively, on military expenditure per year.[179] The first-year data is reported, 1989, Chinese military spending is about 8 billion US dollars more than Taiwan. Over the next two decades, China essentially experiences exponential growth in military expenditure, while Taiwan remains relatively static. By 2019, China is spending 25 times more than Taiwan. Keeping in mind that Taiwan and China are spending a similar percentage of their GDP on military expenditure starting in the 2000s, it is evident that China's economic, and therefore military prowess, is exploding during this time period.

The graph below shows when and by how much China outspends Taiwan on military expenditure. The stark image makes it clear that while China has an exponential growth pattern, the same cannot be said for Taiwan, who remains at the lowest rung of spending. This further serves to show how China's development and increasing standing economically is having dire effects on Taiwan's ability to protect itself against the parent state.

[179] Stockholm International Peace Research Institute, "SIPRI Military Expenditure Database."

Figure 4.3: Visualizing China's Growing Military Expenditure (Billions of Dollars)



With this in mind, how is it that Taiwan has been able to maintain the status quo at all? While military spending may not have been much higher during the 1995-1996 missile crisis between Taiwan and China, the reality is much different twenty years later. Why has China not imposed its will on the wayward province?

Patron Support

Taiwan, like other de facto states, has a patron that provides crucial military support. This support is vital in preventing the parent state (China) from reabsorbing the de facto state (Taiwan). While what constitutes military support varies from case to case, it usually encompasses weapons, training, and most importantly, a commitment to protect against the parent state.

Part of Taiwan's military expenditure comes from arms sales from the United States. These arms sales encompass a variety of major items or services. These include weapons and ammunitions, missiles, torpedoes, tanks, air defense systems, aircraft, helicopters, logistics, and

support.[180] These arms sales made up three-quarters of Taiwan's imported arms, and the de facto state ranked as the ninth largest recipient of arms worldwide.[181] From 1990-2011, U.S. arms sales to Taiwan totaled 44.79 billion US dollars.[182] The table below breaks down the arms sales amount by year.

Table 4.2: U.S. Arms Sales to Taiwan: 1990-2011[183]

Year	Arms Sales
1990	$153 million
1991	$372 million
1992	$7.7 billion
1993	$2.2 billion
1994	$171 million
1995	$267 million
1996	$1 billion
1997	$1.2 billion
1998	$1.3 billion
1999	$637 million
2000	$1.9 billion
2001	$1.1 billion
2002	$1.5 billion
2003	$775 million
2004	$1.8 billion
2005	$280 million
2006	$0
2007	$3.7 billion
2008	$6.5 billion
2009	$0
2010	$6.4 billion
2011	$5.9 billion

[180] Shirley Kan, "Taiwan: Major U.S. Arms Sales Since 1990," 2014, pp. 56 - 59, https://web.archive.org/web/20200906182105/https://fas.org/sgp/crs/weapons/RL30957.pdf.
[181] Albert, "Unpacking the China-Taiwan Relationship"; Stockholm International Peace Research Institute, "SIPRI Arms Transfers Database," 2020, https://web.archive.org/web/20200906182450/https://www.sipri.org/databases/armstransfers.
[182] These figures are based on U.S. arms sales to Taiwan as reported to the U.S. Congress. Kan, "Taiwan: Major U.S. Arms Sales Since 1990.", pp. 56-59.
[183] Figures were calculated by adding each year's arms sales as reported. Kan, pp. 56 - 59.

U.S. arms sales to Taiwan were (and continue to be) significant, and military ties actually deepened following China's missile firings in 1995-1996.[184] In addition to the material support the United States sells to Taiwan, these arms sales represent a commitment by Taiwan's patron to defend them. Despite not recognizing Taiwan, U.S. support represents a more tangible and important measure of support than recognition. Without U.S. arms sales and military support, it is unlikely that Taiwan would be able to remain in the position they are now—as an unrecognized state straddling the status quo against a major world power. Taiwan's ability to hold its own against China hinges nearly entirely on the support of the United States and gets to the heart of de facto – parent state relationships. Moreover, as the strongest military in the world, the United States proves a more than formidable ally against a rising China.

A de facto state militarily weaker than its parent state will be hard pressed to continue to hold onto territory and self-rule. Usually, de facto states have a patron that can ensure and supplement their military capability: Taiwan and the United States, Northern Cyprus and Turkey, South Ossetia and Russia. In fact, it seems that *not* having a patron is the exception, with Somaliland being an example of this.

Taiwan fulfills the "at parity" requirement just barely. This is why continuation of the status quo is the most reasonable option and most of the population recognizes this. They do not want to unify with China, but they are aware that a declaration of independence would likely

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[184] Barton Gellman, "U.S. and China Nearly Came to Blows in '96," *The Washington Post*, June 21, 1998, https://web.archive.org/save/https://www.washingtonpost.com/archive/politics/1998/06/21/us-and-china-nearly-came-to-blows-in-96/926d105f-1fd8-404c-9995-90984f86a613/; Chris Oxley, "Dangerous Straits," *Frontline*, 2001, https://web.archive.org/web/20200916165125/https://www.pbs.org/wgbh/pages/frontline/shows/china/; J. Michael Cole, "The Third Taiwan Strait Crisis: The Forgotten Showdown Between China and America," *The National Interest*, March 10, 2017, https://web.archive.org/web/20200916165506/https://nationalinterest.org/feature/the-third-taiwan-strait-crisis-the-forgotten-showdown-19742.

inflame tensions, which could precipitate a conflict on the island, and possibly a Chinese invasion. Taiwan's security strategy currently rests on the promises made by the United States, mostly on the back of the Taiwan Relations Act. But security experts warn that the military balance between Taiwan and China is only set to widen, given China's modernization plans, specifically those of the People's Liberation Army Navy.[185] China's goal here is to deter the United States from being able to aid Taiwan, thereby cutting off Taiwan's only mean of military support. It remains to be seen how quickly China can modernize, and whether their desire make Taiwan a part of the mainland will become a reality.

Economic and Administrative Capacity

The first indicator I will examine is total GDP. Gross domestic product is a way to provide a landscape of the economy, notably its size and growth rate. In the case of Taiwan and China, it will serve to show the difference between the two. As examined in the military capacity section, China's military spending overshadows Taiwan by a massive amount, which corresponds to a higher GDP. Specifically, as China continues to grow economically, this corresponds with a higher budget for military spending, while the percentage of military spending remains relatively stable. This could have further consequences for Taiwan's precarious security. In short, total GDP is not only an economic capacity indicator, but also a security concern and military capacity indicator.

[185] Ronald O'Rourke, "China Naval Modernization: Implications for U.S. Navy Capabilities-Background and Issues for Congress," 2020, https://web.archive.org/web/20200916165825/https://crsreports.congress.gov/product/pdf/RL/RL33153/233.

The table below presents these total GDP figures.[186] As expected, China has a much larger GDP than Taiwan. While both Taiwan and China's economies grow from 1980 to the present day, there is no denying that China's economy is growing at a much more rapid rate. As a de facto state, Taiwan is already on shaky ground, being barred from participating fully on the world stage. This is compounded by the parent state being a rising great power and economic behemoth. A table is useful to compare the numbers side to side, as a chart would be unlikely to accommodate the exponential difference between the two. Looking at the last year, 2018, Taiwan's GDP is just over $16 billion, while China's is over $14 trillion.

[186] International Monetary Fund, "Report for Selected Countries and Subjects: Taiwan," World Economic Output Database, 2018, https://web.archive.org/web/20200916170126/https://www.imf.org/external/pubs/ft/weo/2018/01/weodata/weorept.aspx?sy=1980&ey=2023&scsm=1&ssd=1&sort=country&ds=.&br=1&c=528&s=NGDP_RPCH%2CPPPGDP%2CPPPPC%2CPCPIPCH%2CLUR%2CGGXWDG_NGDP&grp=0&a=&pr.x=42&pr.y=9; International Monetary Fund, "Report for Selected Countries and Subjects: China," World Economic Output Database, 2018, https://web.archive.org/web/20200916170421/https://www.imf.org/external/pubs/ft/weo/2018/01/weodata/weorept.aspx?pr.x=43&pr.y=7&sy=2016&ey=2023&scsm=1&ssd=1&sort=country&ds=.&br=1&c=924&s=NGDP_R%2CNGDP_RPCH%2CNGDP%2CNGDPD&grp=0&a=.

Table 4.3: GDP Comparison in Taiwan and China

Year	Taiwan GDP	China GDP	Year	Taiwan GDP	China GDP
1980	$42.3 billion	$305.3 billion	**2016**	$530.6 billion	$11.2 trillion
1981	$49 billion	$290.8 billion	**2017**	$579.3 billion	$12 trillion
1982	$49.5 billion	$286.7 billion	**2018**	$613.3 billion	$14.1 trillion
1983	$54.2 billion	$307.7 billion			
1984	$61.1 billion	$316.6 billion			
1985	$63.6 billion	$312.6 billion			
1986	$78.2 billion	$303.3 billion			
1987	$105.0 billion	$330.3 billion			
1988	$126.5 billion	$411.9 billion			
1989	$152.7 billion	$461.1 billion			
1990	$166.8 billion	$398.6 billion			
1991	$187.4 billion	$415.6 billion			
1992	$223.1 billion	$495.7 billion			
1993	$235.2 billion	$623.1 billion			
1994	$256.4 billion	$566.5 billion			
1995	$279.3 billion	$736.9 billion			
1996	$292.7 billion	$867.2 billion			
1997	$303.7 billion	$965.3 billion			
1998	$280.4 billion	$1 trillion			
1999	$304.2 billion	$1.1 trillion			
2000	$331.4 billion	$1.2 trillion			
2001	$300.4 billion	$1.3 trillion			
2002	$308.9 billion	$1.5 trillion			
2003	$318.6 billion	$1.7 trillion			
2004	$348.5 billion	$1.9 trillion			
2005	$375.8 billion	$2.3 trillion			
2006	$388.5 billion	$2.8 trillion			
2007	$408.2 billion	$3.6 trillion			
2008	$417.0 billion	$4.6 trillion			
2009	$392.1 billion	$5.1 trillion			
2010	$446.1 billion	$6.1 trillion			
2011	$485.7 billion	$7.6 trillion			
2012	$495.9 billion	$8.6 trillion			
2013	$511.6 billion	$9.6 trillion			
2014	$530.5 billion	$10.5 trillion			
2015	$525.6 billion	$11.2 trillion			

GDP per Capita

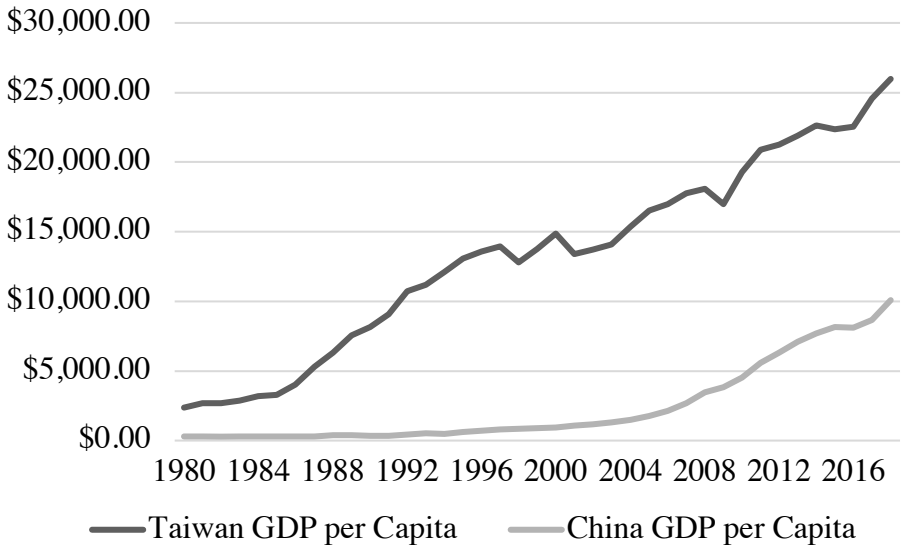
As one of the four "Asian tigers", Taiwan has a very strong and developed economy, with a GDP per capita of nearly $25,000 as of 2019.[187] China's is more than two times lower, sitting at $10,098.[188] To be fair, China's economy has grown at a rapid rate for the last several decades, but it is still currently categorized as an upper-middle income country, not yet being able to break into a high-income categorization. Projections for 2024 have Taiwan's GDP per capita to be two times higher than China. Projections for Taiwan are $31,483.97 vs. $14,811.79 for China.[189] The figure below shows a chart visualizing the GDP per capita for Taiwan and China, starting in 1980.

[187] International Monetary Fund, "Report for Selected Countries and Subjects: Taiwan and China," *World Economic Outlook*, 2019, https://web.archive.org/web/20200916170713/https://www.imf.org/external/pubs/ft/weo/2019/02/weodata/weorept.aspx?pr.x=47&pr.y=13&sy=1980&ey=2024&scsm=1&ssd=1&sort=country&ds=.&br=1&c=924%2C528&s=NGDPDPC&grp=0&a=.

[188] International Monetary Fund.

[189] International Monetary Fund.

Figure 4.4: GDP per Capita Comparison in Taiwan and China



What does this mean for economic capacity? Simply put, Taiwan's higher GDP per capita represents a higher quality of life for residents of the island as a whole. Moreover, GDP per capita takes population into account, whereas total GDP would look at the total economic output. In terms of economic power projected on the world stage, China wins due to its massive GDP, but in terms of citizen well-being, Taiwan comes out on top. China's figures are brought down by two factors: its massive 1.3 billion population, and the amount of people living in poverty, somewhere around 43 million people as of 2018.[190]

[190] Eugene K. Chow, "China's War on Poverty Could Hurt the Poor Most," *Foreign Policy*, January 8, 2018, https://web.archive.org/web/20200916171032/https://foreignpolicy.com/2018/01/08/chinas-war-on-poverty-could-hurt-the-poor-most/.

Tax Revenue as a Percentage of GDP

Another measure of economic capacity is the tax revenue as a percentage of GDP. Figures for tax revenue as a percentage of GDP were taken from Taiwan and China's government statistics sites respectively. I also consulted World Bank figures for China, which aggregates estimates from the World Bank, the International Monetary Fund, and the Organisation for Economic Cooperation and Development.[191] Interestingly, the figures reported by China differ substantially from those reported by the World Bank, IMF, and OECD. Tax revenue as a percentage of GDP is revenue that is collected on taxes: income, profits, social security, goods and services, payroll, property, and other taxes.[192] Additionally, it is regarded as a measure of the degree of government control over the state's economy and the economy's resources. The figures for tax revenue as a percentage of GDP reported by China are much higher (percentagewise) than those given by international organizations. Does China have an incentive to show that they have greater control over the economy than might otherwise suggest? Would a higher percentage of tax revenue signal better government control and economic state capacity? A state with revenue at a higher percentage of GDP than its counterpart would conceivably have greater ability to reach its population, and better administrative control.

Although Taiwan is a highly advanced economy, statistical figures on their tax revenue as a percentage of GDP do not appear in the World Bank or International Monetary Fund websites. This is due in large part to their parent state's campaign to roll back recognition of Taiwan in any form. One of the ways this is done is to deny Taiwan membership,

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[191] World Bank, "Tax Revenue: China," World Bank, 2016, https://web.archive.org/web/20200916171311/https://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS?locations=CN.

[192] OECD, *Tax Revenue Indicators*, *OECD Data* (Paris: OECD Publishing, 2016), https://doi.org/10.1787/d98b8cf5-en.

acknowledgement, or recognition in international organizations. Therefore, I am unable to verify Taiwan's figures against those reported by international organizations. Nevertheless, Taiwan reports a higher tax revenue as a percentage of GDP than China. From 2001-2018, Taiwan's tax revenue as a percentage of GDP were between 11.71 - 13.95 percentage points.[193] China's World Bank figures report that between 2005-2016, their tax revenue percentage was between 8.57 - 10.31 percentage points.[194] China's self-reported figures range from 13.8 – 21.3 percentage points, nearly double the World Bank figures.[195]

What can be learned from these numbers? For starters, this can be used a measure of not only economic capacity, but also administrative capacity in both territories. Taiwan can be said to have objectively better revenue collection measures, and able to reach a higher proportion of its population. Also, it has a higher level of control over its economic resources as compared to China. This disparity in revenue collection and administrative capacity is one reason why China would be compelled to misrepresent their tax revenue collection.

The table below shows the figures for tax revenue as a percentage of GDP. The "Taiwan" column shows figures reported by Taiwan in terms of percentages. The next two columns are labeled "China (World Bank)" and "China (Self-Reported)". The World Bank column are figures reported by several international organizations, while the self-reported figures were taken from China's statistics. The disparities in the figures are interesting and point to how the Chinese

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[193] Republic of China (Taiwan) National Statistics, "Total Tax Revenues of % of GDP," National Statistics, Republic of China (Taiwan), 2019, https://web.archive.org/web/20200804072105/https://eng.stat.gov.tw/point.asp?index=10.

[194] World Bank figures for China's tax revenue as a percentage of GDP were only available from 2005-2016.

[195] State Taxation Administration of the People's Republic of China, "The Share of Tax Revenue in GDP," n.d., https://web.archive.org/web/20200916171827/http://www.chinatax.gov.cn/eng/c101270/c101273/c5107024/content.html.

government wishes to be perceived internationally. A higher tax revenue as a percentage of GDP would signal more capacity, and the ability to collect revenue from a higher proportion of its population.

Table 4.4: Tax Revenue as Percentage of GDP in Taiwan and China

Year	Taiwan	China (World Bank)	China (Self-Reported)
2001	12.67		13.80
2002	11.77		14.10
2003	11.71		15.10
2004	12.21		16.10
2005	13.35	8.57	16.70
2006	13.07	9.06	17.40
2007	13.43	9.77	18.60
2008	13.95	10.10	18.40
2009	12.26	10.31	18.50
2010	11.97	10.21	19.30
2011	12.33	10.31	20.20
2012	12.23	10.26	21.30
2013	12.04	9.91	21.10
2014	12.26	9.71	20.40
2015	12.73	9.42	20.10
2016	12.67	9.20	18.90
2017	12.52		18.80
2018	13.01		18.90

State Building and Institutions

Taiwan is coded as a de facto state starting in 1971. Unlike Northern Cyprus, it has enjoyed a very high degree of state building since its inception. This can be directly traced back to the high level of international support it received from countries such as the United States. Even after the Kuomintang (KMT) lost control of mainland China to the Chinese Communist Party and was exiled to the island of Taiwan, it was regarded as the legitimate government of

China for several years---until the loss of its UN seat in 1971. While Taiwan's role to de facto statehood is distinct from other cases in some ways, it presents a noteworthy piece of the recognition and sovereignty puzzle.

Because Taiwan is distinct in that it had international recognition, and then lost it, it unsurprisingly had all state institutions in place following 1971.[196] For most de facto states, there is variation in how they build and establish state institutions, but Taiwan only lost recognition, not its ability to function as a state. Even after the loss of the UN seat, Taiwan was able to maintain external relations, and was not relegated to pariah status like other de facto states or independence/separatist movements.[197] It is still recognized by a handful of states, although China has been successful in convincing some states who formerly recognized Taiwan (such as the Solomon Islands and Kiribati) to switch allegiances.[198] As of 2020, fifteen countries recognize Taiwan: Marshall Islands, Nauru, Palau, Tuvalu, Eswatini, Vatican City, Belize, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, St. Kitts and Nevis, Saint Lucia, and St. Vincent and the Grenadines.[199] While recognition among the international community is up in the air, Taiwan's administrative capacity boasts high quality institutions. Compared to China, administrative capacity is higher, thanks to the economic growth of the past few decades.

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[196] Florea, "De Facto States in International Politics (1945-2011): A New Data Set.", pp. 16-17.
[197] Deon Geldenhuys, Contested States in World Politics (Palgrave Macmillan, 2009), pp. 208-213.
[198] Chris Horton, "Taiwan's Status Is a Geopolitical Absurdity," *The Atlantic*, July 8, 2019, https://web.archive.org/web/20200916172203/https://www.theatlantic.com/international/archive/2019/07/taiwans-status-geopolitical-absurdity/593371/; Tom O'Connor, "Which Countries Still Recognize Taiwan? Two More Nations Switch to China In Less Than A Week," *Newsweek*, September 20, 2019, https://web.archive.org/web/20200916172500/https://www.newsweek.com/who-recognizes-taiwan-two-change-china-1460559.
[199] "Diplomatic Allies," Ministry of Foreign Affairs, Republic of China (Taiwan), 2020, https://web.archive.org/web/20200916172500/https://www.newsweek.com/who-recognizes-taiwan-two-change-china-1460559.

Taiwan is coded as having a very high degree of state building, which means that the de facto state has the most characteristics of a state, including foreign relationships, representative offices abroad (de facto embassies in the cases of Taiwan and Northern Cyprus) and international commercial partners.[200] Taiwan perhaps embodies the exception to the rule when it comes to de facto states and external relations with other states. Where Northern Cyprus can only rely on Turkey for trade and recognition, Taiwan boasts a high level of trade with countries all over the world. Where South Ossetia and Transnistria rely heavily on Russia for economic support, Taiwan is actually a foreign aid *donor.* Where various de facto states may manage a handful of representative offices abroad, Taiwan boasts fifteen embassies (corresponding to the fifteen countries extending Taiwan recognition), as well as two consulates and eighty-nine representative or trade offices all over the globe.[201] It also holds membership or observer status in over fifty international governmental organizations (IGOs), among them the World Trade Organization (as Chinese Taipei), the Asian Development Bank, and the Organisation for Economic Co-operation and Development (OECD).[202]

Income Classification

The income classification of Taiwan and China is another indicator of the economic capacity of both territories. Like GDP per capita, Taiwan comes out ahead, but it also does not

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[200] Florea, "De Facto States in International Politics (1945-2011): A New Data Set.", p. 16.
[201] Republic of China (Taiwan) Ministry of Foreign Affairs, "Embassies and Missions," 2020, https://web.archive.org/web/20200916173349/https://www.mofa.gov.tw/en/Content_List.aspx?n=D7B7F1B4196DD582.
[202] Taiwan's Ministry of Foreign Affairs website has a full compilation of IGOs of which Taiwan is a member, observer, or other status. Republic of China (Taiwan) Ministry of Foreign Affairs, "IGOs in Which We Participate," 2014, https://web.archive.org/web/20200916173744/https://www.mofa.gov.tw/enigo/Link3enigo.aspx?n=58BD38F4400A7167&sms=A72EC821FB103DD9.

make up for China's ability to wield its massive economic might compared to Taiwan. Rather, this indicator serves to present another piece of the picture. The income classification of a country is calculated with GNI per capita. There are four total income classifications: low income, lower-middle, upper-middle, and high income. The table below shows the income classification for Taiwan and China from the years 1987 (first available year) to 2018.[203] Taiwan easily falls into the high-income category each year, reflecting their status as an advanced economy. China's classification is more varied throughout the three decades. They move from a low-income country, to lower-middle, to then upper-middle by 2010.

[203] World Bank, "Classifying Countries by Income," World Bank, 2019, https://web.archive.org/web/20200907134622/https://datatopics.worldbank.org/world-development-indicators/stories/the-classification-of-countries-by-income.html; World Bank, "World Bank Country and Lending Groups," World Bank Data Help Desk, 2019, https://web.archive.org/web/20200916174237if_/https://datahelpdesk.worldbank.org/knowledgebase/articles/906519.

Table 4.5: Income Classification by Year in Taiwan and China

Year	Taiwan	China
1987	High Income	Low Income
1988	High Income	Low Income
1989	High Income	Low Income
1990	High Income	Low Income
1991	High Income	Low Income
1992	High Income	Low Income
1993	High Income	Low Income
1994	High Income	Low Income
1995	High Income	Low Income
1996	High Income	Low Income
1997	High Income	Lower-Middle Income
1998	High Income	Low Income
1999	High Income	Lower-Middle Income
2000	High Income	Lower-Middle Income
2001	High Income	Lower-Middle Income
2002	High Income	Lower-Middle Income
2003	High Income	Lower-Middle Income
2004	High Income	Lower-Middle Income
2005	High Income	Lower-Middle Income
2006	High Income	Lower-Middle Income
2007	High Income	Lower-Middle Income
2008	High Income	Lower-Middle Income
2009	High Income	Lower-Middle Income
2010	High Income	Upper-Middle Income
2011	High Income	Upper-Middle Income
2012	High Income	Upper-Middle Income
2013	High Income	Upper-Middle Income
2014	High Income	Upper-Middle Income
2015	High Income	Upper-Middle Income
2016	High Income	Upper-Middle Income
2017	High Income	Upper-Middle Income
2018	High Income	Upper-Middle Income

Exactly what GNI per capita makes a country high or low income? The number varies slightly per year. In 1987 for example, a low-income country like China would have to have a GNI per capital of *under* $480. A high-income country, like Taiwan, would have to have a GNI per capita of *over* $6,000. By 1999, when China is solidly lower-middle income, the GNI per capita income criteria for these countries is between $756 and $2,995. The criteria for high income countries in 1999 is those with over $9,265. In 2018, the most recent year, China, as an upper-middle income country, would fall between $3,996-12,375. Taiwan, as a high-income country, has a GNI per capita of over $12,375.

There are two reasons why income classification is another useful indicator to have for economic capacity. For one, simply by virtue of Taiwan being present in these income classifications means that a proper comparison can be made between the two economies, and that these figures come from the same credible source. Second, it provides another example of the dynamic and relationship between mainland China and Taiwan. Taiwan provides a shining example of economic success despite nonrecognition or partial recognition. A booming economy, and one of the four "Asian Tigers", Taiwan comes out ahead in economic and quality of life indicators. It has robust trade with neighbors, and its citizens are richer than those on the mainland. The economic success of Taiwan shows that unrecognized, or in Taiwan's case, partially recognized states, have a place in the world economy and can thrive. However, this economic success cannot eclipse the major security concerns that arise from a Chinese great power. Taiwan still walks the tightrope of its citizens and at least one major political party completely shunning unification with the mainland, while knowing that a declaration of independence would most likely ignite a crisis. This means that while Taiwan can arguably

"come out ahead" in economic and administrative capacity indicators, it is not enough to overcome the status quo strategy it currently pursues.

Conclusions and Policy Implications for Taiwan

This chapter presents an overview of the case of Taiwan, and the conditions under which they pursue a sovereignty strategy. "They" mean the Taiwanese people, and the political leaders, mainly those of the two major parties, the KMT and the DPP, first and foremost reject the idea of unification with the mainland. China's compromise, a "One Country, Two Systems" idea modeled after Hong Kong is wildly unpopular, and recent events in Hong Kong have solidified this. A "One Country, Two Systems" model would allow the island of Taiwan to keep their form of democratic governance for a specified amount of time, but most importantly, it would require Taiwan to be formally absorbed into the People's Republic of China, bringing their run as a de facto state to an end.

Since unification is so despised, why not advocate for independence? After all, Taiwan's economy and population would make it more than a viable state, and it has survived decades as a de facto state already. However, a universal declaration of independence is generally considered to be a bad idea for the simple reason that it would most likely trigger a crisis with China. A military invasion would then draw the United States, Taiwan's patron, into the conflict. This would mean a possible military showdown between the two top military powers, not to mention the physical and economic destruction of Taiwan.

To avoid this scenario, Taiwan must walk a thin line that advocates for the continuation of the status quo, protects Taiwanese democracy, and assures others that a unilateral declaration of independence is not in the cards. When measured against China, Taiwan's material

capabilities and state capacity further illustrate why the status quo is the only possible option for Taiwan.

Militarily, China outspends Taiwan, and has more personnel. The manpower alone would be difficult to overcome in a conflict. Taiwan relies on the United States commitment in order to close the military gap with China, although it is unlikely how stable the military situation will remain. Economically and administratively, Taiwan outshines China in quality-of-life indicators, but China's massive economy means that they have an edge when it comes to spending. Furthermore, they use economic promises to push a derecognition campaign against Taiwan, which has lost the recognition of several states over just the past five years.

Taiwan currently pursues a policy of status quo, which aims to keep the current conditions of de facto statehood as long as possible. However, increasing tensions with China as well as a presidential election in 2020 means that Taiwan is always a potential global hotspot. For instance, even though the United States has given Taiwan aid, whether economically or militarily, they have stopped short of recognition with the island. To say this would be politically risky is an understatement. China, who considers Taiwan to be a wayward province, has repeatedly expressed anger over Taiwan.[204] Under the Trump administration, the United States has said that the relationship with Taiwan is stronger than ever.[205] Whether the U.S. would stand with Taiwan in an attack from China remains to be seen. With concerns over a rising China, and whether this rise will be peaceful or aggressive, Taiwan is surely part of the calculation that policymakers and leaders need to take into account.

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[204] Ralph Jennings, ""China Sounds Alarm as US-Taiwan Relations Test New Highs"," *VOA*, July 11, 2018, https://web.archive.org/web/20200916174601/https://www.voanews.com/east-asia-pacific/china-sounds-alarm-us-taiwan-relations-test-new-highs.

[205] Twinnie Siu, ""U.S. Official Says Support of Taiwan Has Never Been Stronger"," *Reuters*, March 20, 2018, https://web.archive.org/web/20200916174908/https://www.reuters.com/article/us-taiwan-usa/u-s-official-says-support-of-taiwan-has-never-been-stronger-idUSKBN1GX08U.

Chapter 5: Somaliland and the Quest for Independence

This chapter focuses on the de facto state of Somaliland. Directed under British rule during the colonial era, it differed from Somalia, which was under Italian jurisdiction. After being granted independence from the British in 1960, Somaliland got a taste of independence before ultimately unifying with Somalia and creating the Somali Republic.

The de facto state was born as a result of civil war. After 1991, Somaliland embarked on a state building project that has turned into an unlikely success. I will show that Somaliland has a higher state capacity compared to Somaliland outright. Militarily, there are more military personnel at their disposal and spend more on security compared to Somalia. Economically, remittances have helped boost the economy during the rebuilding phase. The GDP per capita is higher, and tax revenues, while low, are still higher than Somalia by more than double the percentage points. Administratively, Somaliland has demonstrated the presence of all institutions necessary for "statehood", including a functioning legislative and judicial system, as well as education and media. The past few years have also seen Somaliland make inroads in forging relationships with other countries.

Somaliland Theory of Recognition

The case of Somaliland provides a theory in which the de facto state vies for independence. Somaliland, a de facto state since 1991, has sought independence from its parent state, Somalia. Following a brutal civil war waged by the Barre regime of Somalia, Somaliland declared independence on May 18, 1991. The state building process was undertaken by the majority ruling Isaaq clan of the region, and they claimed that this was not an act of secession, but rather a return to lost statehood. The region of Somaliland had been a separate territory

before 1960, obtained some measure of recognition (exactly five days of independency) in June 1960, and therefore the 1991 declaration was something distinct from secession.[206]

Chief among the other reasons they assert their right to recognized statehood lies in their overall better state capacity. Militarily, they have proved better partners in the fight against Al-Shabaab, protection from pirates off the Somali coast, and are general considered a zone of stability in the hotspot that is East Africa. Economically and administratively, Somaliland has shown that a lack of international aid and no patron has not impeded their ability to conduct state building following conflict.

Somalia as a parent state is weak, compared to other de facto-parent state pairings. The Fragile States Index, which measures corruption, government effectiveness, illicit economy, and level of democracy, among other indicators, has listed Somalia as the most fragile state seven out of fifteen times, and the second most fragile state six out of fifteen times, most recently in 2020.[207] Transparency International, which tracks corruption, has listed Somalia as the most corrupt country twelve years running.[208] Somaliland does not appear in these indices, therefore a direct comparison cannot be made, but there is strong evidence showing that Somaliland would definitely fare better than its parent state.

Despite its lack of empirical statehood and poor governance, Somalia has been able to use its status as a recognized state to veto attempts to recognize Somaliland. Other examples of

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[206] Deon Geldenhuys, *Contested States in World Politics* (Palgrave Macmillan, 2009), pp. 131-136, https://doi.org/10.1057/9780230234185; Jonathan Paquin, *A Stability-Seeking Power: U.S. Foreign Policy and Secessionist Conflicts*, *A Stability-Seeking Power: U.S. Foreign Policy and Secessionist Conflicts*, 2010, p. 156, https://doi.org/10.5860/choice.48-2946.

[207] Fragile States Index, "Somalia," Fund for Peace, 2020, https://web.archive.org/web/20200917230455/https://fragilestatesindex.org/country-data/; JJ Messner, "Fragile States Index Annual Report 2020," 2020, https://web.archive.org/web/20200903135351/https://fundforpeace.org/.

[208] Transparency International, "Somalia," Transparency International, 2019, https://web.archive.org/web/20200814011556/https://www.transparency.org/en/countries/somalia.

successful transitions from unrecognized to recognized states in Africa, Eritrea and South Sudan, both show that the home state acquiescence is necessary to obtain independence.[209] The African Union likewise has been unwilling to support Somaliland independence, due to Somalia's reticence.

The table below presents a figure demonstrating the core theory for this case study. As previously noted, Somaliland became a de facto state in 1991, following a particularly brutal civil war. The desire to separate from Somalia post conflict was not a uniquely secessionist one, but rather, is argued to be one of a failed union. The British ruled Somaliland became part of a federation with the Italian ruled Somalia—following thirty years of this, it broke down. This could be construed as simply a return to the previous situation, not a case of secession. After all, Somaliland has now been a de facto state for twenty-nine years, nearly the same amount of time it was part of the federation.

After the 1991 separation, Somaliland set on a state building exercise. Somaliland primarily emphasized security spending. This makes sense for two reasons. First, as a de facto state, survival is an ever-present concern. In this case, the parent state does not pose much of a threat, as Somalia was dealing with its own post conflict state collapse. Nevertheless, survival was still a concern as a new state, as the threat of internal conflict is always a possibility. Second, Somaliland prioritized security due to the triple threats of Al-Shabaab, piracy on the coast, and border conflicts with the Puntland region. As with the previous case studies, the military capacity of the de facto state needs to be equal or higher than the parent state for the de facto state to exist and survive. This is likewise the case with Somaliland, where the military capacity is higher than Somalia.

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[209] Scott Pegg and Pål Kolstø, "Somaliland: Dynamics of Internal Legitimacy and (Lack of) External Sovereignty," *Geoforum* 66 (2015), p. 98.

Economically and administratively, Somaliland struggled with building the new state in some ways. The lack of foreign aid meant that Somaliland had to rely solely on local and domestic revenue, which limited growth, especially since so much of the budget had to be spent on security. However, the lack of foreign aid provided flexibility and creativity in state building. For Somaliland, this meant a hybrid democratic system that consists of both clan and parliamentary rule. Somaliland also had to find international partners in the region to trade with, all against the backdrop of nonrecognition and no formal patron support. Despite these setbacks, Somaliland still rates higher than Somalia in economic and administrative capacity. While Somalia denies Somaliland recognition on the international stage, they have no real mechanisms by which to threaten to reunite Somaliland by force (unlike say, Taiwan and China).

Therefore, this leads to a preference for independence by Somaliland. Clearly, they believe they have proven their case for recognition. Somaliland says they are looking to return to a previous arrangement, but they have also proven that they are functionally and practically capable of running a separate state. The unrecognized state gradually built state institutions over the years and the de facto state experiment of the last twenty-nine years has been quite successful, especially considering that Somaliland, unlike other de facto states, does not have a patron. Neither do they benefit from substantial foreign aid. Their preference for independence is also evident in the outward signs: a separate currency, a flag, and system of government.

Figure 5.1: Somaliland Model for Independence

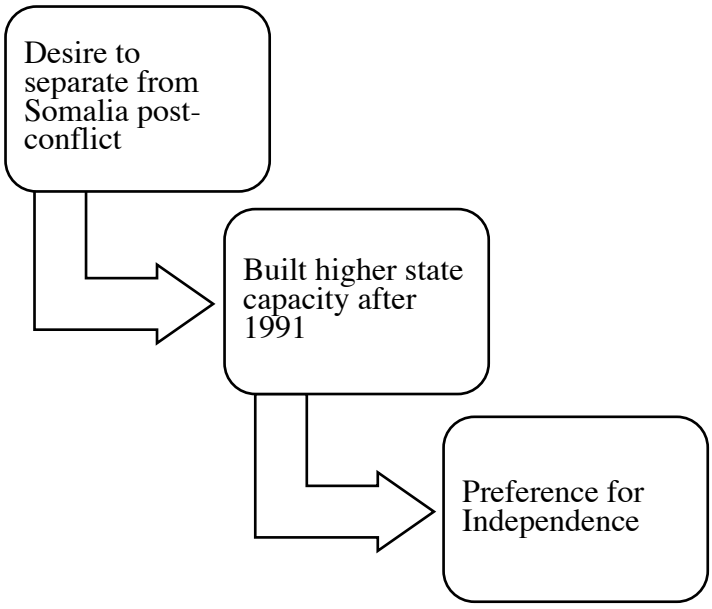

Figure 5.2: Map of Somaliland, Somalia, and Borders[210]

[210] Jason Beaubien, "Somaliland Wants To Make One Thing Clear: It Is NOT Somalia : Goats and Soda : NPR," NPR, 2017, https://web.archive.org/web/20210101163528/https://www.npr.org/sections/goatsandsoda/2017/05/30/530703639/somaliland-wants-to-make-one-thing-clear-it-is-not-somalia.

Alternative Explanations for Somaliland's Preference Towards Independence

In this section, I will touch upon two factors that play an important part in Somaliland's preference towards independence. The first is the role that identity plays in Somaliland's push towards independence and recognition. Once again, identity-based arguments are not to be thought of as separate from the structural, state capacity-based argument in this dissertation, but as a complement and providing the necessary framework that explains the conditions that leads to current de facto statehood. The second factor concerns the wider international community's reticence to recognize Somaliland as an independent state. Would this not have a dampening effect on their independence efforts? One might think so, but we see the opposite happening, with Somaliland as eager as ever to recruit states to their side. Overall, these other explanations are not false when describing Somaliland, but they are incomplete.

Somalilanders conceive of their identity as a distinct entity from Somalia's in a variety of ways. For one, Somalilanders point to their history as a British-ruled colonial subject, rather than an Italian-ruled one, as one distinction from Somalia. Second, they point to the just theory of secession, and gross human rights committed under the Barre regime, as a reason they deserve an independent state, and most importantly, why they are not Somalian. While colonial legacy is a legitimate claim under international law, the just theory of secession is not.[211] Given this reasoning, why would this not be enough to explain their preference towards independence? These are certainly compelling reasons for Somaliland to push for their independence. However, I argue that there is an element missing in these explanations, which rely on "the outside", and do not give enough credit to Somaliland's successful state building efforts. While Somaliland is

[211] M. Fabry, "Secession and State Recognition in International Relations and Law," in *On the Way to Statehood: Secession and Globalization*, ed. A. Pavkovic and P. Radan (Ashgate, 2008), pp. 51–66; James Ker-Lindsay, *The Foreign Policy of Counter Secession Preventing the Recognition of Contested States* (OUP Oxford, 2012), p. 37.

poor, it is relatively richer than its parent state. And while much can leave to be desired for health, education, and general welfare, the government of Somaliland has been able to provide security to its citizens, arguably the first and most important job of a state. What identity-based arguments leave out is Somaliland's track record as a functioning state in all but name. The identity-based arguments provide the framework, but the work on improving state capacity provides the longevity of the de facto state, and therefore the push for independence.

On a wider scale, Somaliland puts forth convincing historical and legal arguments to justify why recognition should be given, but still remains unrecognized nearly thirty years after declaring independence in 1991. In this respect, the question becomes not "Why is Somaliland still unrecognized?" but rather "Why does Somaliland continue to pursue independence in the face of no recognition (and no patron)?". Why Somaliland is not recognized comes down to the taboo against secession and the wider community not wanting to endorse it, and major players' lack of strategic interest in Somaliland. Ultimately, recognition of de facto states is an uphill battle, and is unlikely in the current international system.[212] As Caspersen notes, "The dominant strategy when it comes to unrecognised states is to ignore them".[213] Recognition itself does not depend on the many positives that Somaliland puts forth and which I explore: neither military superiority, economic viability, successful state building, or even democracy will guarantee that Somaliland becomes recognized. Western countries have indicated that recognition for Somaliland first needs to proceed from the African Union, which itself has been reticent to consider Somaliland as a recognized state. Ethiopia, as the headquarters of the AU, is not willing to push the issue that could divide members. Moreover, Ethiopia is perceived as being in favor of

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[212] Nina Caspersen, "Separatism and Democracy in the Caucasus," *Survival* 50, no. 4 (August 2008): pp. 113–36, pp. 127-128, https://doi.org/10.1080/00396330802329014; Scott Pegg, *International Society and the De Facto State* (Taylor & Francis, 2019).
[213] Caspersen, "Separatism and Democracy in the Caucasus.", p. 128.

the current status quo. Other countries, like Djibouti, also favor the status quo, as they would have to compete for military bases and trade flows into Hargeisa were it to be recognized.[214]

Paradoxically, scholars note that Somaliland's lack of recognition could have facilitated its growth and development, by allowing it to rule under its clan-based, pastoral democracy, without interference.[215] A lack of aid removed the need for conflict among the clans, while others note that the lack of foreign aid made the government more accountable, democratic, and open to compromise.[216] As I expand later on, Somaliland's higher relative state capacity over Somalia makes it so that Somaliland continues to pursue independence. There is no incentive for Somaliland to agree to reunification with a failed state. Moreover, while it will not guarantee recognition, Somaliland can point to its better military, economy, and institutions to differentiate itself from Somalia. Even with an international community refusing to consider recognition, Somaliland's preference will likely remain the same, as long as it holds relative strength over its parent state. The next sections will continue to expand these arguments. While identity and the politics of recognition undoubtedly play a role in Somaliland's preferences, they cannot satisfactorily explain the contradictions. The arguments put forth in this chapter adequately fill the gaps that remain.

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[214] Seth Kaplan, "The Remarkable Story of Somaliland," *Journal of Democracy* 19, no. 3 (2008): pp. 143–57, p. 154, https://doi.org/10.1353/jod.0.0009; Markus V. Hoehne, "Mimesis and Mimicry in Dynamics of State and Identity Formation in Northern Somalia," *Africa: Journal of the International African Institute* 79, no. 2 (2009): pp. 252–81, pp. 273-274, https://www.jstor.org/stable/pdf/29734403.pdf?casa_token=ryLLHPkhXOQAAAAA:WiutgpZnlymv8vGp9bi1WWiJ01TMhUQXnKi8rP8hwX2wLen_9QoODI_gDByGPJnP-zy09GXFml9aUIFyxpI7IeSDA30nZzOiXMTq9ID95ogHyEJboLgx; Michael / Walls and Steve Kibble, "Beyond Polarity: Negotiating a Hybrid State in Somaliland," *Africa Spectrum* 45, no. 1 (2010): pp. 31–56, p. 51, https://journals.sagepub.com/doi/pdf/10.1177/000203971004500102.
[215] Pegg and Kolstø, "Somaliland: Dynamics of Internal Legitimacy and (Lack of) External Sovereignty."
[216] Ioan Myrddin Lewis, *Making and Breaking States in Africa: The Somali Experience* (Red Sea Press, 2010), p. 146; Nicholas Eubank, "Taxation, Political Accountability and Foreign Aid: Lessons from Somaliland," *Journal of Development Studies* 48, no. 4 (2012): pp. 465–80, p. 477, https://doi.org/10.1080/00220388.2011.598510.

Somaliland Military Capacity Overview

Due to Somalia being commonly characterized as a "failed state", it is easy to see how Somaliland surpasses the parent state when it comes to military capability. Somaliland's military power, while lacking a patron, is still *much stronger* than Somalia's.[217] What exactly does *much stronger* mean? In this instance, the indicator in question, relative rebel capacity, comes from Florea's dataset of de facto state. Florea codes relative rebel capacity on a 1-4 scale. 1 corresponds to a de facto state being *weaker* than the parent state. 2 corresponds with *parity*, an example seen in the case of the Taiwan-China dynamic. 3 corresponds to *stronger* than the parent state. Finally, a 4 on this measure is the highest categorization, which Somaliland exemplifies.[218]

In terms of military personnel available, Somaliland has roughly 5,000-8,000 soldiers at its disposal.[219] A reliable figure on Somalia's military personnel is harder to come by, with one academic source citing 100-2,000 ready personnel (Florea), to another military source giving a figure of "possibly fewer than 10,000.[220]

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[217] Florea, "De Facto States in International Politics (1945-2011): A New Data Set."
[218] This variable is based on an ordinal measure that uses data from the civil war and rebel governance literature. David E. Cunningham, Kristian Skrede Gleditsch, and Idean Salehyan, "It Takes Two: A Dyadic Analysis of Civil War Duration and Outcome," *Journal of Conflict Resolution*, 2009, https://doi.org/10.1177/0022002709336458; Gent, "Relative Rebel Strength and Power Sharing in Intrastate Conflicts."
[219] Florea, "De Facto States in International Politics (1945-2011): A New Data Set"; Michael Horton, "How Somaliland Combats Al-Shabaab," *Combatting Terrorism Center* 12, no. 10 (2019): pp. 20–25, https://web.archive.org/web/20200708082206/https://ctc.usma.edu/somaliland-combats-al-shabaab/.
[220] Florea, "De Facto States in International Politics (1945-2011): A New Data Set"; Harun Maruf, "Somalia: Up to 30 Percent of Soldiers Unarmed," *VOA*, December 19, 2017, https://web.archive.org/web/20200515113314/https://www.voanews.com/africa/somalia-30-percent-soldiers-unarmed.

Table 5.1: Military Personnel Estimates in Somaliland and Somalia

Area	Low Estimate Military Personnel	High Estimate Military Personnel
Somaliland	5,000	8,000
Somalia	2,000	10,000

The Somali army itself is not even in charge of security for the region. That task belongs to the United Nations Security Council, and their deployment of the African Union Mission in Somalia (AMISOM) and the United Nations Support Office for Somalia (UNSOS).[221] In place since 2007, AMISOM is responsible for protection against militant group Al-Shabaab, and has grown to an estimated 22,000 troops from various African Union countries, such as Uganda, Burundi, Ethiopia, Kenya, Djibouti, and Sierra Leone.[222] The Somali National Army (SNA) is too weak to provide protection, and were AMISOM to leave, the area would undoubtedly fall into a much worse security situation. As it stands, reports indicate that up to thirty percent of soldiers in the SNA are unarmed, including areas where Al-Shabaab has overpowered the military.[223] An agreement made in April 2017 established a security pact that promised further support from the international community, but none of the milestones are within reach.[224] Due to

[221] Paul D. Williams, "What Went Wrong with the Somali National Army?," *War on the Rocks*, May 20, 2019, https://web.archive.org/web/20200820051523/https://warontherocks.com/2019/05/what-went-wrong-with-the-somali-national-army/.
[222] Amanda Sperber, "Somalia Is a Country Without an Army," *Foreign Policy*, August 7, 2018, https://web.archive.org/web/20200803093006/https://foreignpolicy.com/2018/08/07/somalia-is-a-country-without-an-army-al-shabab-terrorism-horn-africa-amisom/.
[223] Maruf, "Somalia: Up to 30 Percent of Soldiers Unarmed."
[224] United Nations Assistance Mission in Somalia, "Security Pact" (London, 2017), 17, https://web.archive.org/web/20200718184325/https://unsom.unmissions.org/sites/default/files/london-somalia-conference-2017-security-pact.pdf.pdf.

the lack of coordination between donors, extreme corruption, and lack of institution building, the SNA is an army in name only.[225]

As it is, AMISOM has not been able to deter Al-Shabaab from the region, or completely flush them out. In 2009, the group seized control of both Mogadishu and Kismayo (a port city) and began taxing imports at the port.[226] The accumulation of revenues from the port contributed to the group's ability to fund further attacks, further lending credence to the necessity of economic capacity (revenue) in order to fund military capacity (security). The militant group was driven out of the port city in October 2012, but still remains part of the social fabric of the capital, Mogadishu.[227] While Al-Shabaab itself has not been successful in holding Somali territory for a long enough period of time to conduct adequate state building, it prevented Somalia from using its own territory.

Military Expenditure as a Percentage of the Government Budget

Military expenditure (as a percentage) for Somaliland is high, even for a de facto state. Somaliland, like other de facto states, needs a high enough military capacity to protect against the parent state, but in the case of Somaliland, it also needs enough military power to protect against Al-Shabaab, piracy, and a border dispute with Puntland. While Al-Shabaab has not inflicted the same level of damage in Somaliland that it has in Somalia, it still requires military capacity to deal with it. For piracy, Somaliland monitors this on its northern coast with a coast

[225] Paul D. Williams, "Building the Somali National Army: Anatomy of a Failure, 2008–2018," *Journal of Strategic Studies* 43, no. 3 (April 15, 2020): pp. 366–91, https://doi.org/10.1080/01402390.2019.1575210.
[226] Crisis Group, "Al-Shabaab's Attacks in East Africa: A Timeline," *Crisis Group*, October 12, 2018, https://web.archive.org/web/20200727012541/https://www.crisisgroup.org/africa/horn-africa/al-shabaabs-attacks-east-africa-timeline.
[227] Crisis Group.

guard of about 600 personnel.[228] The case of Puntland is a self-declared, semi-autonomous region in northern Somalia and east of Somaliland, although it does not rise to the level of de facto statehood by most scholars (the exception here is Florea, who does code Puntland as a de facto state in his dataset).

Figures for security spending in Somaliland are usually given in Somaliland Shilling (SLS, not to be confused for the Somali Shilling, SOS) numbers, especially if the source is the government of Somaliland. The World Bank will sometimes have figures for Somaliland, but only as a comparison to Somalia, and not usually as stand-alone reports. Since the Somaliland Shilling is an "unrecognized" currency, it has no official exchange rate.[229] Therefore, it is difficult to ascertain military expenditure as a percentage of GDP, and instead military expenditure as a percentage of the budget is used, since that is more readily available. I use "security spending" interchangeably with "military expenditure", as they both represent military capacity in both Somaliland and Somalia. More than any other de facto-parent state dynamic, military capacity encompasses not only protection from external threats, but also internal security, which presents different challenges and struggles for both.

Between 2002-2011, Somaliland spent an average of 51.1 percent of the government budget on security services.[230] In 2011, this figure reached 42.2 million US Dollars, which represented between 50-55.2 percent of the government's total budget.[231] In contrast, for 2011,

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[228] Kirk, "Ending Somali Piracy Against American and Allied Shipping.", p. 10.
[229] The Somaliland government will occasionally give exchange rates. For example, in January 2019, the exchange rate was listed as $1 = 98,000 SLS. Institute for Strategic Initiatives and Research, "Somaliland 2019 Budget Brief" (Hargeisa, 2019), https://web.archive.org/web/20191212002000/https://www.somaliland.com/wp-content/uploads/2019/02/Somaliland-2019-Budget-Breif-ISIR.pdf.
[230] "Budget Policy: Transitioning from State-Building to Development."
[231] "Budget Policy: Transitioning from State-Building to Development"; World Bank Group, "Transition amid Risks with a Special Focus on Intergovernmental Fiscal Relations" (Nairobi, 2015),

Somaliland spent only 5.9 million US Dollars on education, and 2.7 million US Dollars on health.[232] For 2012-2014, the military / security spending as a percentage of the budget decreased to an average of 41.5 percent, but still remained the largest category in the government budget.[233] The next highest category, Administration and General Services, took up about 29 percent of the budget.[234]Military spending figures for 2015 decreased to 35.7 percent of the government budget, indicating that while security spending remained a huge chunk of the budget, it was getting nearer to one-third, rather than one-half of the budget.[235] Security spending was similar for 2018-2020, with spending compromising between 26-35 percent of the budget.[236] The table below presents security spending as a percentage of the budget, by year. Note that figures for 2016 and 2017 are not available, although it can be reasonably surmised that security spending was likely about one-third of the budget.

Somalia figures for military expenditure as a percentage of GDP are likewise absent, although it is possible to glean security spending as a percentage of the annual budget, as done with Somaliland. The international community, acting as donors and with international organizations, contribute to the existence of the Somali National Army, but the figures for

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https://web.archive.org/web/20200921170921/http://documents1.worldbank.org/curated/en/247911468197970788/pdf/100964-WP-P151626-PUBLIC-Box393254B-1st-Edition-Somalia-Economic-Update-Report.pdf; Somaliland Ministry of Finance, "Somaliland in Figures 2011" (Hargeisa, 2011), https://web.archive.org/web/20200921171236/https://somalilandcsd.org/wp-content/uploads/2020/08/somaliland_in_figures_2011.pdf.

[232] "Budget Policy: Transitioning from State-Building to Development."

[233] World Bank Group, "Transition amid Risks with a Special Focus on Intergovernmental Fiscal Relations", p. 23.

[234] World Bank Group, p. 22.

[235] Somaliland Ministry of Finance, "Somaliland in Figures 2015" (Hargeisa, 2016), https://web.archive.org/web/20190714093944/http://slmof.org/wp-content/uploads/2019/03/Somaliland_in_Figures_2015.pdf.

[236] Somaliland Ministry of Finance, "Citizen's Budget 2020" (Hargeisa, 2020), https://web.archive.org/web/20200921172702/http://slmof.org/wp-content/uploads/2020/01/Citizines-Budget-2020.pdf; Somaliland Ministry of Finance, "Republic of Somaliland Budget Outlook Paper for 2019/2020" (Hargeisa, July 15, 2019), https://web.archive.org/web/20200921172906/http://slmof.org/wp-content/uploads/2019/07/Budget-Outlook-Paper-Final-26-07-2019.pdf.

security spending take into account the Somali federal government budget for the year, and not necessarily all the international aid given. As it stands, Somalia spends more on security (as a percentage of its budget) than any other fragile state, with the exception of Afghanistan.[237] In 2014, Somalia spent 45 percent of its budget on security, which is even higher than Somaliland for that year.[238] 2015 and 2016 saw 36.1 and 35.1 percent security spending respectfully, representing a substantial drop from 2014.[239] In 2017, Somalia spent 33.9 percent of its budget on security spending, and in 2020, the figure was projected to be 37.6 percent.[240] The security percentages are similar for Somaliland and Somalia, looking at after 2014. This indicates that 1) lack of recognition means that Somaliland needs to spend a large amount of its budget on security, and 2) recognition does not relieve Somalia of having to spend a similarly large percentage of their budget. Somaliland, like Somalia, have the triple threat of Al-Shabaab, piracy, and border disputes. Somalia, despite receiving international aid from a variety of partners, does have to spend a similar amount of its budget as its unrecognized counterpart. While the threats are similar, there is no denying that Somalia currently faces a much larger Al-Shabaab threat than Somaliland, which would explain the need for high spending.

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[237] World Bank and United Nations Assistance Mission in Somalia, "Somalia Security and Justice Public Expenditure Review," January 2017, https://web.archive.org/web/20200921173147/http://documents1.worldbank.org/curated/en/644671486531571103/pdf/Somalia-Security-and-justice-sector-public-expenditure-review.pdf.

[238] World Bank and United Nations Assistance Mission in Somalia, pp. x.

[239] Federal Government of Somalia Ministry of Finance, "Federal Government of Somalia Performance of Fiscal Operations End July 2016," July 2016, p. 3, https://web.archive.org/web/20200921174007/http://budget.gov.so/wp-content/uploads/2019/12/FGS_Fiscal_Performance_Report_July_2016.pdf.

[240] Federal Government of Somalia Ministry of Finance, "2017 Budget: Budget at a Glance Rebuilding Somalia," June 2017, https://web.archive.org/web/20200921174223/http://budget.gov.so/wp-content/uploads/2019/12/Budget_at_glanc.pdf; Federal Government of Somalia Ministry of Finance, "Ministry of Finance – The Budget Directorate," 2020, https://web.archive.org/web/20200921174625/https://budget.gov.so/.

Table 5.2: Security Spending as a Percentage of Budget in Somaliland and Somalia[241]

Year	Somaliland Security Spending	Somalia Security Spending
2002	51.1%	
2003	51.1%	
2004	51.1%	
2005	51.1%	
2006	51.1%	
2007	51.1%	
2008	51.1%	
2009	51.1%	
2010	51.1%	
2011	55.2%	
2012	40.5%	
2013	43.0%	
2014	41.0%	45.0%
2015	35.7%	36.1%
2016		35.1%
2017		33.9%
2018	33.0%	
2019	26.7%	
2020	34.7%	37.6%

The total amounts spent on military expenditure are difficult to ascertain for Somaliland. Nevertheless, it is useful to compare what is available, if only to give an approximation. We know that in 2011, Somaliland spent between 50-55.2 percent of its budget on military spending, and that this figure was 42.2 million US Dollars. This means that the total budget for the year was approximately 84.4 million US Dollars. By 2018- 2019, security spending as a percentage of the budget was significantly lower, 33 and 26.7 percent respectfully. The budget is also significantly larger from 2011. For 2018 and 2019, the total government budget was 322 and 350

[241] The percentage for 2002-2011 corresponds to an average percentage, as figures for each individual year were not readily available.

million US Dollars.[242] This means that military expenditure for 2018 was about 106 million US Dollars and 2019 was about 94.5 million dollars.

The military expenditure figures for Somalia come from the World Bank and the Stockholm International Peace Research Institute, and show that Somalia is spending less, as a total amount, than Somaliland. 2018 is the only year where data is available for both, and for the sake of comparison, the year that will be examined further. Stockholm International Peace Research Institute notes that in 2018, Somalia spends 62 million US Dollars on military expenditures.[243] The same year, Somaliland spent 106 million US Dollars on military expenditures. Somaliland spending more is due to its continued self-reliance and lack of recognition from other states. Even though there are instances of other countries partnering with Somaliland for military training or exercises, these are few and far between, and only happening in recent years.[244] Lack of recognition and international aid means that Somaliland needs to ensure that it spends enough on security.

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[242] SomTribune, "Somaliland: 2019 Budget 8 per Cent More than Current Year," *SomTribune*, December 19, 2018, https://web.archive.org/web/20200425120530/https://www.somtribune.com/2018/12/19/somaliland-2019-budget-8-per-cent-more-than-current-year/.

[243] Stockholm International Peace Research Institute, "SIPRI Military Expenditure Database."

[244] EABW News, "UK Seeking Working Relationship with Somaliland on Military Matters," *EABW News*, January 28, 2020, https://web.archive.org/web/20200921181832/https://www.busiweek.com/uk-seeking-working-relationship-with-somaliland-on-military-matters/.

Table 5.3: Military Expenditure in Somaliland and Somalia

Year	Somaliland Military Expenditure	Somalia Military Expenditure
2011	$42.2 million	
2012		
2013		$26 million
2014		$60 million
2015		$47 million
2016		$48 million
2017		$60 million
2018	$106 million	$62 million
2019	$94.5 million	

Somaliland Economic Capacity and Administrative Capacity Overview

Partly due to its status as an unrecognized state, economic data on Somaliland are difficult to procure and often do not appear in international economic measurements. However, Somaliland has been able to build its economic capacity since its de facto independence, and all without significant economic aid that its parent state, Somalia, was able to procure. The economic recovery since the civil war has been boosted by the Somaliland diaspora abroad, as well as investments from the Middle East and other countries in the Horn of Africa.[245]

Remittances from the diaspora abroad come in the form of either financial investments or small money towards families and individuals—thirty percent of remittances ($234 million) are the financial and capital investments, and the remaining seventy percent ($546 million) are the so called "small money". As of 2014, remittances constituted a whopping 54 percent of the

[245] Ken Menkhaus, "Governance without Government in Somalia Governance without Government in Somalia Spoilers, State Building, and the Politics of Coping," *International Security*, vol. 31, 2007, p. 91.

country's GDP. [246] The remittances have been vital in reconstructing the post-conflict Somaliland society after de facto independence in 1991. Notably, the cash transfers to families and individuals have been crucial for livelihood maintenance and food security, as well as driving the economy, with about 44 percent of all households receiving a monthly maintenance from relatives abroad[247]. Additionally, it plays a role in economic stability, as people can rely on this money on a regular basis.

GDP Comparison: Somaliland vs. Somalia

The first economic indicator is a GDP comparison between Somaliland and Somalia. Both GDP figures start between 2012 and 2013, and Somalia's is higher than Somaliland's by about two billion US dollars. Over time, the figures show that Somaliland's economy has grown, from 1.59 billion US Dollars in 2012, to 2.57 billion US Dollars in 2018. Between 2012 and 2017, Somaliland's GDP increased 10.6 percent.[248] The tables below show the GDP amounts for Somaliland and Somalia, in billions of US Dollars.

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[246] and Small Island Developing States UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, "The Role of Remittance in the Economic Development of Somaliland: UN-OHRLLS," UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States, 2014, https://web.archive.org/web/20200921182422/http://unohrlls.org/news/the-role-of-remittance-in-the-economic-development-of-somaliland/.

[247] UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries.

[248] Somaliland Central Statistics Department, "Statistical Release: Gross Domestic Product 2012-2017," 2018, https://web.archive.org/web/20200921182838/https://somalilandcsd.org/gross-domestic-product/.

Table 5.4: GDP in Somaliland and Somalia

Year	Somaliland GDP	Somalia GDP
2012	$1.59 billion	
2013	$1.83 billion	$3.89 billion
2014	$2.01 billion	$3.96 billion
2015	$2.20 billion	$4.05 billion
2016	$2.32 billion	$4.20 billion
2017	$2.57 billion	$4.51 billion
2018		$4.72 billion

GDP per Capita

The next indicator is GDP per capita, which is a more accurate measure of quality of life. As the tables and figure in the next pages indicate, Somaliland has an edge over Somalia in GDP per capita. Somaliland's lowest GDP per capita figure ($478) is still higher than Somalia's highest ($315). Additionally, Somaliland's GDP per capita growth is also bigger than Somalia's. Somaliland's GDP per capita went up $198 in five years, Somalia's only increased by $17 in the same time frame.

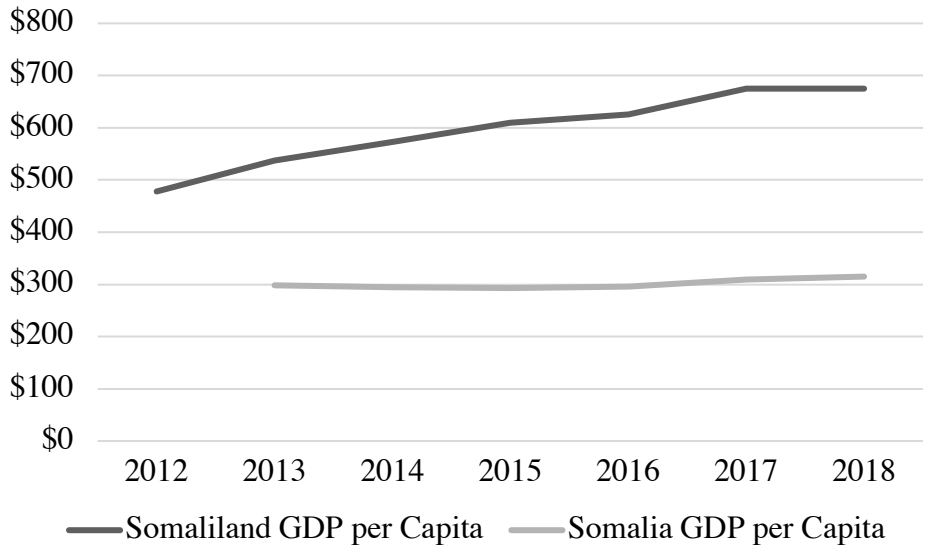
These data, like GDP, are available starting in 2012 and 2013. While it is an incomplete picture of the two economies, it can still provide useful and relevant information in regard to the comparison between Somaliland and Somalia. Civil war and state fragility meant that verified economic figures for both are difficult to come by in the 1990s and 2000s.

While Somaliland's GDP per capita is higher than Somalia's, it is worth noting that the GDP per capita is still quite low, and that both territories easily fall into the low-income category. Still, the purpose of this study is a parent – de facto state comparison, but it is worth noting that of the three case studies, Somaliland's economy is by far the poorest.

Table 5.5: GDP per Capita in Somaliland and Somalia[249]

Year	Somaliland GDP per capita	Somalia GDP per Capita
2012	$478	
2013	$537	$298
2014	$573	$295
2015	$610	$293
2016	$626	$296
2017	$675	$309
2018		$315

Figure 5.3: GDP per Capita Comparison in Somaliland and Somalia



Tax Revenue as a Percentage of GDP

In previous case studies (Northern Cyprus and Taiwan), tax revenue as a percentage of GDP is used as one indicator of economic capacity. A state with adequate tax collection systems is able to fund public goods for its citizens. It is understood that states with adequate tax revenue collection also have sufficient enforcement mechanisms. Somaliland is a somewhat different

[249] Somaliland Central Statistics Department, "Statistical Release: Gross Domestic Product 2012-2017."

type of de facto state. In this final case study (Somaliland), tax revenue figures are not as available or reliable. The de facto state is in the process of shifting from an informal economic system, to one that is more formal, coherent, and recorded. It is in the process of building the state, and the tax systems that come with it. A mainly pastoral territory, Somaliland relies largely on livestock, which makes up 30 percent of its economy. Coupled with being in the low-income category, tax revenues are not going to be a main source of the economy.

Two sources put Somaliland's tax revenue as a percentage of GDP at a mere 7 percent, which is far below the twenty percent that the United Nations considers adequate for growth.[250] Currently, tax collection is hampered by outdated tax laws, and poor compliance by taxpayers. Somalia has even lower figures, with revenue coming in between 2.1, 2.5, and 3.5 percent of GDP for the years 2015, 2016, and 2017, respectfully.[251] Projected figures for 2018 - 2020 did not break 4.5 percent.

Tax collectors in Somaliland, particularly in the capital city and hub, Hargeisa, collect direct income taxes from citizens. This method does not necessarily result in either high levels of honesty or compliance from residents, but there are some signs that revenues from taxes are increasing, as citizens' trust in the government and desire for basic goods increases.[252] In

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[250] Geeska Afrika Online, "Somaliland Taxation System: A Force for Economic Inequality or Equality?," *Geeska Afrika Online*, August 2, 2016, https://web.archive.org/web/20200921184013/http://www.geeskaafrika.com/22157/somaliland-taxation-system-force-economic-inequality-equality/; Vallis Commodities Limited, "Somaliland Country Report," November 16, 2017, https://web.archive.org/web/20200921201833/https://vallis-group.com/wp-content/uploads/2017/11/Vallis-Somaliland-Country-Report.pdf.

[251] International Monetary Fund, "Somalia : First Review Under the Staff-Monitored Program-Press Release and Staff Report," February 26, 2019, https://web.archive.org/web/20200921202027/https://www.imf.org/en/Publications/CR/Issues/2019/02/26/Somalia-First-Review-Under-the-Staff-Monitored-Program-Press-Release-and-Staff-Report-46633.

[252] J. Antonio Campos, "On Taxes and Suspicion: Ambivalences of Rule and the Politically Possible in Contemporary Hargeisa, Somaliland" (Copenhagen, 2016); Ebba Tellander and Mohamed Aden Hassan, "Accountability in the Taxation System in Somaliland," 2016.

Hargeisa, revenue increased 80 percent from 2010 – 2015, although this hides the low level of revenue in absolute numbers, which was merely 9.5 million US Dollars for 2016.[253]

Importantly, the state's transition from a mostly informal to a more formal economy has not resulted in significant enforcement from Somaliland. While the use of an enforcement mechanism in order to raise revenue is vital for state capacity, it is unlikely that this would result in higher tax revenue in such a poor region. Also, while tax revenue figures are low, Somaliland relies heavily on them, because the lack of foreign aid means that the de facto state needed to ensure its own survival. It is in the interest of Somaliland to make sure to collect revenue from taxation, while at the same time does not cause a backlash by repressing citizens for collections. Rather, the lack of foreign aid and reliance on revenues means that Somaliland has been more, not less, accountable to citizens, in order to make sure they trust the government and in turn are more likely to pay taxes.[254]

Somaliland State Building

Unlike Northern Cyprus and Taiwan, Somaliland's administrative capacity was not as well-developed for the first years of its existence. Due to the destruction on the capital city, Hargeisa, during the civil war, Somaliland had to contend with post-conflict reconstruction, as well as state building, and setting up new institutions. Nevertheless, Somaliland was able to establish government structures and improve their quality (before the collapse of the parent

[253] Astrid R.N. Haas, "An Overview of Municipal Finance in Hargeisa, Somaliland," December 2017, p. 2.
[254] Eubank, "Taxation, Political Accountability and Foreign Aid: Lessons from Somaliland."

state).[255] All the while, Somalia, the parent state, struggles to get past the first stage of state building, establishing long-term control over territory.

Somaliland has shown significant growth in its state building apparatus since 1991. For the first two years, state building was coded as "low", which essentially means that Somaliland is only able to control territory and provide minimal public security during these first crucial years. From 1993-2000, Somaliland entered a period of "moderate" state building, which meant that in addition to having a monopoly on violence, the (de facto) state at this point allocates some resources for governance. In the case of Somaliland, this included printing money, policing local communities, and organizing multiparty elections.[256] At this point, it became evident that Somaliland's stability in the face of nonrecognition and lack of support were not going to be impediments to the development of this relatively new de facto state. Somaliland, a "self-governing" nation in all senses, used traditional forms of governance that entered consultation and consent.[257]

From 2001- 2011, Somaliland was considered to have a high degree of state building, which signifies that governmental structures are in place, such as institutions necessary for a functioning state.[258] These ten institutions are listed as being present in both Northern Cyprus and Taiwan, but Somaliland does not achieve this until 2001.[259] Over a decade, they gradually

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[255] Zachariah Cherian Mampilly, *Rebel Rulers: Insurgent Governance and Civilian Life during War* (Ithaca, NY: Cornell University Press, 2011), p. 217.
[256] William Reno, *Warfare in Independent Africa*, Vol. 5 (Cambridge University Press, 2011), p. 19.
[257] Seth Kaplan, "The Remarkable Story of Somaliland," *Journal of Democracy* 19, no. 3 (2008): pp. 143–57, p. 144, https://doi.org/10.1353/jod.0.0009; Carolyn Nordstrom, *Shadows of War - Violence, Power, and International Profiteering in the Twenty-First Century*, Vol. 10 (University of California Press, 2004), p. 171.
[258] 2011 is the last year that the dataset codes, but the degree of state building does not significantly change for Somaliland post 2011. Florea, "De Facto States in International Politics (1945-2011): A New Data Set, p.15-16."
[259] The institutions are: an executive, a legislature, a legal system, a tax system, an education system, a welfare system, foreign affairs, media, police, and a banking system. Florea, p. 16-17.

built state institutions such as a legislature, a legal system, media, police, and even a central bank that issues its own currency—the Somaliland shilling.[260]

As Kaplan notes, Somaliland's successful state building in a time of peace presents a direct contrast to the state of Somalia, which despite being propped up by international partners, remained in a sorry state of affairs.[261] The table below summarizes the Somaliland's trajectory in building a new (de facto) state.

Table 5.6: State Building in Somaliland

Degree of State Building	Years
Low	1991-1992
Moderate	1993-2000
High	2001-Present

Notably, due to Somaliland's unrecognized status and lack of a patron, a system of foreign affairs was the most difficult institution to set up. The international community's taboo on secession means that other countries are loath to not only recognize Somaliland but make economic and diplomatic deals. Despite this, we can point to several foreign partnerships that signify cooperation between Somaliland and the other states. In the Horn of Africa, Somaliland has developed a relationship with neighboring Ethiopia, as well as a fiber-optic broadband link courtesy of Djibouti.[262] It cooperates with other regional and international organizations, such as the African Union, the Arab League, the European Union, and the United Nations on facets such

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[260] Adrian Florea, "Rebel Governance in de Facto States," *European Journal of International Relations*, May 6, 2020, p. 5, https://doi.org/10.1177/1354066120919481.
[261] Kaplan, "The Remarkable Story of Somaliland."
[262] Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System,* p. 43; The Economist, "Why Somaliland Is Not a Recognised State," *The Economist*, November 1, 2015, https://web.archive.org/20200921202316if_/https://www.economist.com/the-economist-explains/2015/11/01/why-somaliland-is-not-a-recognised-state.

as: oil exploration licenses, repatriation of asylum seekers, counterterrorism, and infrastructure aid.

Conclusion and Policy Implications for Somaliland

This chapter presents a summary of the case of Somaliland. As an unrecognized state, Somaliland has indicated their preference for independence and formal recognition. Somaliland's experience in state building shows their ability to function as a separate entity in their own right. They also point to a different colonial background than Somalia to justify the dissolution of the federation.

Somaliland's state capacity, relative to their parent state of Somalia, is higher in all aspects. Militarily, they are able to keep the territory more secure, they have more armed personnel, and spend a large portion of the budget on security. They have been crucial in battling the terrorist group Al-Shabaab, as well as combatting piracy off the Somali coast. Somaliland has been more successful in building their economy as well, compared to Somalia. While still a very poor area, evidence indicates that authorities are doing better on collecting taxes and being accountable to the population. Lack of foreign aid meant that Somaliland needed to improve revenue-collecting measures to provide services to the population, security being the most important. GDP per capita is higher than Somalia's, and partnerships with other countries in the Horn of Africa and the Middle East provide an indication that Somaliland's economy is set to improve. Following the 1991 split, Somaliland set out to build government institutions, as well as improve their quality. Currently, they are rated as having a "high" degree of state building, which points to the remarkable turnaround of a post-conflict de facto state, without a patron.

The future of Somaliland's quest for recognition is unclear, but ultimately, they have shown to be more successful at state building than their recognized counterpart. Despite the lack of recognition, and more surprisingly, the lack of a patron, Somaliland has proven to be a bright spot in a region beset by multiple concerns: terrorism, piracy, and border disputes. Somaliland is yet another example of how unrecognized states are not synonymous with instability, and that successful state building is not tied to recognition, or even foreign assistance.

Chapter 6: Conclusion

Theoretical Summary

This dissertation serves as an addition to the rich subfield of de facto states within the study of political science. The underlying question, or puzzle, throughout this manuscript is: What explains the variation in de facto state preferences of either reintegration, status quo, or independence? This question merits consideration because de facto states are born of secessionist conflict. Conflicts which were, at the core, about separating from the parent state and carving out a new country. Why then, not push full steam ahead for independence?

I attempt to answer this question with a theory centering state capacity dynamics between the de facto state and parent state. The theory is simple: relative state capacity shapes (although does not determine) a de facto state's strategy towards their sovereignty. Over time, how a de facto state develops in relation to its home informs actions taken towards or against independence. A de facto state with a lower relative state capacity than the parent state would have a disincentive to push for full independence. For one, being weaker would put the unrecognized state at a disadvantage when it came to claiming their ability to function as a recognized state. With the power dynamics shifted toward the parent state, the incentive for the de facto state is to push for reintegration with the parent state.

When state capacity is relatively equal between the de facto state and parent state, the likelihood is that the de facto state will continue to embrace the status quo. While de facto statehood and its implied unrecognition is the not the ideal strategy for a territory looking for eventual statehood, it is sometimes the next best option. For one, it does not require a change to the current situation, hence the *status quo* designation. Secondly, it is unlikely that the parent

state will take aggressive action against the de facto state while their capabilities are evenly matched.

When relative state capacity is in favor of the de facto state, this is when one would expect to see de facto states pushing for independence. To be clear, this does not mean that the de facto state will be successful in being granted statehood, but rather that they are more overt about wanting independence. With capabilities being stronger, there is little threat from the parent state. De facto states can point to their record of stability and stronger capabilities to push the case for statehood.

Elaborating on the concept of state capacity, I divide it into three categories: military, economic, and administrative. Each one corresponds to separate state functions, although this does not mean that they do not overlap or influence one another. Military capacity refers to a state (or de facto state's) ability to control territory, have a monopoly on violence, and protect against internal and external threats. Military capacity is measured in this dissertation by the number of armed personnel, the percentage of GDP spent on military expenditure, and the total amount spent on military expenditure. Furthermore, for de facto states, the patron state's aid is also used in calculating the total military capacity. Aid can come in monetary support, or in training and soldiers.

The second facet of state capacity is economic capacity. Economic capacity refers to a state's ability to collect revenue from its population and use this revenue and other funds to support state goals. In a comparative format, economic capacity is measured in a variety of ways: total GDP, GDP per capita, tax revenue as a percentage of GDP, and income classification. While military capacity may be vital for ensuing security of the (de facto) state, this is not possible

without adequate funds to support the military, especially when de facto states are for the most part not recognized.

The third part of state capacity refers to administrative capacity. Administrative capacity measures the presence of institutions, and the quality of state building. Overall, established and recognized states will have all typical institutions in place, while de facto states either have to construct new institutions, or use holdovers from the parent state. This can be further exacerbated if the secessionist conflict was recent, as there is a whole new layer of reconstruction to contend with. Two indicators go into determining the level of administrative capacity a de facto state has: a count of the number of state institutions, and the quality of state building from the first year of de facto statehood. Notably, de facto states, by virtue of being unrecognized (or only recognized by one or a handful of states) often have limited or no ability to build relationships with other recognized states. The ability to form relationships, host embassies, and conduct trade is a state institution. This can have repercussions for domestic institutions. For example, if a de facto state is subject to a trade embargo by the parent state, this severely hinders their ability to sell their products and services abroad (and this is in fact the case with Northern Cyprus). Additionally, administrative capacity cannot simply be ameliorated by will, the de facto state needs sufficient funds to build health system, welfare, and police, to provide a few examples. Therefore, it is difficult to look at administrative capacity in isolation without consideration the economic implications. This is to say, that a state or de facto state with low funds and resources is unlikely to have robust institutions, if they are all even present at all.

With the three parts of state capacity defined, the last part of the theory concerns the placement of military capacity. While all three, military, economic, and administrative capacity, go in to determining the total state capacity of a de facto state, there is an assumed level of

military capability. In order to break off from the parent state, and successfully survive as an unrecognized entity (often for decades) military capacity (this includes patron help) needs to be at a sufficient level. Simply put, sufficient military capacity is the first condition that de facto states need in order to survive. At minimum, military capacity of the de facto state and patron will be at parity with the parent state. Essentially, it needs to be robust enough to deter an attack or forcible reintegration by the parent state. This means that military capacity will not be lower than the parent state. Economic and administrative capacity can be lower, equal, or higher comparatively, but military capacity will only be equal or higher than the parent state.

Northern Cyprus

Three case studies were used to demonstrate each strategy and the differing relative capacities possible for the de facto-parent state dynamic. The case of Northern Cyprus and the run up to the 2004 referendum is used to show an example of lower relative state capacity to the parent state and the reintegration approach. The case of Taiwan is used as an example of relatively matched state capacity and subsequent status quo strategy. Somaliland is used to show higher relative state capacity to the parent state and an example of a de facto state pursuing reintegration.

The first case study, Northern Cyprus, lays out the Turkish Cypriot approval for reintegrating with the Republic of Cyprus and becoming a united island once again, in the context of the 2004 referendum. This of the stark differences in quality of living between resident in the Turkish Cypriot north and the Greek Cypriot south. The Cyprus Problem, as it has come to be known, represents the split between the Turkish backed north of the island, and the internationally

recognized south. Although UN presence on the island has existed since 1964, unification is no closer to being a reality.

Noting that the case of Northern Cyprus is being examined in the run-up to the Annan Plan referendum, the question is: why did Northern Cyprus vote overwhelmingly to reunify with the Republic of Cyprus, noting the decades of animosity between both sides? Looking at relative state capacity between the Turkish Cypriot north and the Greek Cypriot south, it is evident that while military capacity favors Northern Cyprus, they are not equally matched when it comes to economic and administrative capacity. Specifically, the economic situation in the north, coupled with the potential EU membership in a united island, represented a once in a generation opportunity for the Turkish Cypriots.

The military capacity balance on the divided island of Cyprus favors the north, mainly due to Turkish presence and support on the island. Having been a presence since 1974, Turkish troops represent a commitment to keep the de facto state of Northern Cyprus alive. When combining the number of troops, Northern Cyprus and Turkish troop presence on the island supersedes the number of Greek Cypriot troops. And although military expenditure is higher (in dollar amounts) for the Republic of Cyprus, Northern Cyprus receives military aid in the form of money as well.

Economically, the north lagged far behind the south preceding the referendum on reunification. The simplest way to explain the discrepancies in income and quality of living is to regard to the Republic of Cyprus, a recognized state, as a developed nation. While small, this island economy boasts world-class tourism, and a robust banking industry. The north can best be described as a developing nation during this time period, with the gap between the two glaring. While Northern Cyprus's economy did have defined sectors, such as tourism and education, it was nowhere near enough to provide a comparable standard of living to their southern neighbors.

A glaring statistic notes that in 2003, GDP per capita was almost four times lower in the north than in the south. While the gap closed significantly following the 2005 opening of the border crossings (down to about twice as low), the economic situation before the Annan Plan vote was dire. This, coupled with the enticement of being an EU member, undoubtedly played a role in Turkish Cypriot's support for reunification. Furthermore, nonrecognition and isolation imposed by the Republic of Cyprus meant that all trade is routed through Turkey, thanks to an embargo. Additionally, while Northern Cyprus has foreign missions abroad (essentially pseudo embassies), they are still only recognized by Turkey and are not able to engage in formal diplomacy.

Taiwan

The Taiwanese strategy of status quo emerges as a result of the relationship with the parent state, the People's Republic of China. While Taiwan has higher indicators in measures of GDP per capita and income classification, China's rise means that Taiwan is in a precarious position in regard to their sovereignty. The current ruling party, the DPP, is more pro-independence than the KMT, but nevertheless would never issue a unilateral declaration of independence (UDI), for fear of a military escalation. Therefore, while opinions on the future of Taiwan tend to reject unification with China, they mostly fall within a spectrum of status quo, and to delay the inevitable independence question.

Taiwan's existence as a somewhat unique de facto state, namely being recognized by a handful of states, is due in large part to its relation to the patron, the United States. Unlike Northern Cyprus, which relies on Turkey for military and economic aid, Taiwan's patron mostly provides military equipment, and the promise of aid in the event of a military escalation with

China. Therefore, while China's massive military personnel and military expenditure dwarfs Taiwan's, their military capacity is relatively equal for the time being. This is what allows Taiwan to continue existing in its odd position on the world state---an economic powerhouse, a bustling democracy, and an inkling of formal recognition.

As mentioned, Taiwan beats out China in some economic indicators, namely GDP per capita, and income classification. Furthermore, Taiwan has all the institutions of a viable state, including robust foreign relationships with various countries. Even in states that do not recognize Taiwan, usually one can find their presence in the form of a representative office. Nevertheless, the economic might of the Chinese means that Taiwan is being outspent on two fronts: military expenditure, and a fierce derecognition campaign, where China seeks out states that recognize Taiwan, and entices them to change their recognition to China.

Unification is a non-starter for Taiwan, and although the values of a Taiwanese society are far removed from the mainland, seeking independence is a gamble. China has already overtly stated that taking back Taiwan is a goal, and that they will use force if necessary. Even Taiwan's patron state does not formally recognize Taiwan, in consideration for the geopolitical risk that could pose. With that, a continuation of the status quo is not only the next best option, but also seemingly the only option that would allow the de facto state of Taiwan to continue existing in its current form.

Somaliland

Somaliland is a story of pushing for independence, and moreover, a case where the relative state capacity favors the de facto state. Somaliland, as the shortest-lived de facto state in the study (a respectable 29 years) is also the only one without a patron state. Despite this,

Somalilanders have posited that Somaliland deserves independence due to a distinct colonial history than Somalia, as well as pointing to a frankly, much better developed state capacity. This is made more impressive by the fact that Somaliland had to rebuild in the early 1990s following the conflict, and that they have not been recipients of any significant foreign aid, unlike their parent state. Despite this, or perhaps because of it, the government of Somaliland has been more accountable to their citizens.

Because of the security concerns in the region, namely Al-Shabaab, piracy, and border disputes, Somaliland invested heavily in security at the expense of other government functions. This is not the say this was a bad strategy, in fact, it was likely the only way to ensure continuity and survival of Somaliland. At one point, Somaliland was spending over half of its budget on security, although this share did go down in the past five years. In comparison, Somalia's disorganized and weak military has seen little success in curbing the Al-Shabaab threat.

Economically and administratively, Somaliland struggles and is categorized as low income. While most state institutions are present, it is only recently that Somaliland has had a relatively high degree of state building. Minimal foreign aid to Somaliland meant the first two decades of Somaliland's existence were relatively scarce. Despite this, Somaliland is much more a story of success one of failure.

Somaliland's economy, while primarily agricultural, is beginning to incorporate more sectors, as well as more foreign partners, primarily in the Horn of Africa and the Middle East. New investments promise to revamp the Berbera port, Somaliland's commercial capital. New trade relations outside the region have the potential to expand Somaliland's economy even more. Just recently, Somaliland welcomed a Taiwanese delegation to Hargeisa. Both de facto states agreed to open representative offices in their respective capitals.

With Somaliland's stronger state capacity, and yet untapped potential, it is no wonder that independence is the ultimate goal. The parent state, Somalia, has international recognition, but cannot credibly threaten Somaliland, due to its weak status. Somaliland's unilateral declaration of independence in 1991 did not have the same backlash as other declarations of independence, and it still remains steadfast in its commitment to achieve international recognition.

De Facto States and Current Events

This dissertation is written as a look back on the state capacity of de facto states and parent states, and to which extent it impacts the strategies for sovereignty. Reintegration, status quo, and independence are not fixed preferences, and can change over time. Current events mean that calculations can change, and geopolitical concerns may be even more important to precariously placed de facto states.

The 2018 Cyprus gas dispute is one such current event that threatens any hope of reconciliation to the Cyprus problem. The dispute involves the exclusive economic zone of the Republic of Cyprus. In 2018, the Turkish foreign minister announced the intention of the government to carry out gas exploration in the region, which rejected a 2003 Cyprus-Egypt maritime border demarcation. They also stated that the Turkish Republic of Northern Cyprus had rights to the Cypriot EEZ. It is unclear whether this dispute will drive the Turkish Cypriots closer to Turkey, especially considering the somewhat negative perception Turkish citizens have on the island. With Cyprus and Greece on one side, with Northern Cyprus and Turkey on the other, this additional layer of disagreement is unlikely to pave the way for another diplomatic breakthrough that would reunite the island.

Taiwan of course, is still a potential hotspot for geopolitical conflict between two superpowers: The United States and China. Various articles ring the alarm on how precarious the situation is for the island off mainland China. China's stated intent for Taiwan's reintegration, one way or another, bring up the question of U.S. commitment to the democratic territory. In the ongoing COVID-19 pandemic, China's derecognition campaign was put into full view when they blocked Taiwanese participation in the World Health Organization. Even the recent Somaliland-Taiwan accord brought with it swift backlash from China. China promised to open their own representative office in Hargeisa in exchange for Somaliland's rejection of Taiwan. Somaliland did not agree and affirmed their commitment to Taiwan. However, it is worth noting that China has been far more successful in convincing Taiwanese derecognition for other states.

Next Steps

This dissertation explored state capacity dynamics of de facto states and parent states. Moreover, it examined how these dynamics might affect steps de facto states taken towards independence, or non-independence. Within non-independence, there are various options. This dissertation explored two of them: reintegration with the parent state, and status quo. It examined three cases: Northern Cyprus, Taiwan, and Somaliland.

I believe this theory of state capacity can be applied to other de facto state – parent state dyads. For example, the case of Transnistria would provide a useful application of the theory. While it enjoys patronage from Russia, Transnistria also benefits from a special trade agreement with the European Union, putting it at odds with the tendency to view de facto states as isolated. Moreso than the other post-Soviet de facto states (Abkhazia, South Ossetia, and Nagorno-Karabakh), Transnistria has a vested interest in keeping relations with the EU favorable. Stuck

between its patron and the European Union, the de facto state of Transnistria is likely to favor the status quo, as it does not push it towards any one side. Moreover, the parent state Moldova, as one of the poorest countries in Europe, presents less of a challenge. While overall economic and administrative capacity is likely higher in Moldova, Transnistria can continue to pursue a strategy of status quo as long as Russian troops remain in the territory.

There are various avenues for future scholarship that would advance the subfield of unrecognized states. Further studies of state capacity for de facto states can be used to compare them to all states, not just the parent state. This can pave the way to rank de facto states within their region, and the world. The next question would be: How do de facto states rank compared to other states in their region? How do they rank on a world scale? For example, how would Somaliland have compared to other states in the Horn of Africa? Would the "success story" tale still hold?

Another avenue of scholarship concern shifting priorities. For example, Northern Cyprus declared independence in 1983, and had a pro-independence stance until around 2003, when the popular opinion backed reunification. Following the collapse of the Annan Plan and the Republic of Cyprus's ascension into the European Union, more attempts to negotiate a bi-communal, bi-zonal federation ultimately failed, most recently in 2017 in Crans-Montana. Current sentiment in Northern Cyprus has seemingly shifted to an acceptance and preference for the status quo. A valuable question to consider would be: Under what conditions do de facto states shift preferences for recognition?

The subfield of de facto states is a promising and exciting area for both academics and policy makers. While the question of "Why does this matter?" is always at the forefront of both, de facto states are an important consideration for: democratic governance, great power

competition, increasing secessionist movements, natural resources, counterterrorism, and more. The longevity of de facto states will come to show whether unrecognized statehood is a transition to autonomy or independence, or if in fact, they are stable systems that can stand on their own.

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es/london-somalia-conference-2017-security-pact.pdf.pdf.

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EDUCATION

Ph.D., Political Science, Maxwell School of Citizenship and Public Affairs, Syracuse University — May 2021

M.A., Political Science, Maxwell School of Citizenship and Public Affairs, Syracuse University — December 2016

B.A., International Studies and French, Summa Cum Laude, The University of Alabama — May 2015

PUBLISHED ARTICLES

Griffiths, Ryan D., and Angely Martinez. "Local conditions and the demand for independence: A dataset of secessionist grievances." Nations and Nationalism (2020).

PROFESSIONAL EXPERIENCE

NNSA Graduate Fellowship, Pacific Northwest National Laboratory June 2020 – June 2021
Program Officer

- Assigned as the first NNSA Graduate Fellow to the Office of Cooperative Threat Reduction, in the Bureau of International Security and Nonproliferation at the Department of State.
- Executed 5 projects as a primary officer, and 11 projects as a secondary officer with a total budget of $5.7 million.
- Lead projects relating to open-source analysis in areas relating to private military companies, WMD procurement, lab security, and disinformation.

Research Excellence Doctoral Fund, Syracuse University August 2019-May 2020
Research Fellow

- Conducted research, analyzed datasets, wrote white papers, and drafted chapters.
- Authored reports and presented research for funding agencies detailing fieldwork experience (Cyprus).

Global Black Spots, Moynihan Institute of Global Affairs **September 2015-August 2019**
Researcher

- Directed a team of researchers in analyzing open-source intelligence (OSINT) data and writing detailed case reports of conflict areas regarding nuclear materials, counterterrorism, and transnational criminal organizations.
- Collaborated with a third-party research and development company in delivering information to a U.S. intelligence agency.
- Operated Microsoft Access dataset; performed SQL functions and generated reports, queries and forms for supervisor; utilized Excel functions to model patterns within countries and regions.

Department of Political Science, Syracuse University **September 2015-May 2019**
Graduate Teaching Assistant

- Instructed 40-60 students per semester on various international political topics as well as periodically lecturing large auditoriums (150-200 people) on specialized subject matters.

Librarie Farfafouilles, Strasbourg, France **May 2016-August 2016**
Intern

- Facilitated sales of books and assisted in organizing the yearly festival in the Strasbourg city square.

Education Abroad, The University of Alabama **September 2014-May 2015**
Intern

- Created monthly newsletters for university-wide distribution and assembled semi-annual study abroad fairs for prospective and current university students.

"Chronic Pain Amongst Spanish-Speaking Patients" **January 2014-May 2014**
Research Assistant

- Transcribed and translated interviews with Spanish-speaking patients.

Nancy Bishop Casting, Prague, Czechia **May 2013-August 2013**
Intern

- Summarized 100+ page documents and curated the company social media account.

TECHNICAL SKILLS

R, Stata, Microsoft Access, SQL, Profiler Plus, Microsoft Office Suite

LANGUAGES

Spanish: Native

French: Proficient

Russian: Beginner

GRANTS AND AWARDS

External Awards

2019 Future Strategy Forum Travel Grant ($300)
Center for Strategic and International Studies

2018 ISA Travel Grant ($480)
International Studies Association

2018 APSA Travel Grant ($500); declined
American Political Science Association

2018 Fund for Latino Scholarship ($400)
American Political Science Association

Internal Awards

2019 Research Excellence Doctoral Funding Fellowship ($20,400)
The Graduate School, Syracuse University

2019 Moynihan European Summer Research Grant ($1,500)
Center for European Studies, Moynihan Institute of Global Affairs, Syracuse University

2019 Political Science Department Travel Grant ($500)
Department of Political Science, Syracuse University

2018 Roscoe Martin Dissertation Grant ($1,200)
Maxwell School of Citizenship and Public Affairs, Syracuse University

2018 Andrew Berlin National Security Fund ($4,966)
Institute for National Security and Counterterrorism (INSCT), Syracuse University

2018 Thorson Prize ($500)
Department of Political Science, Syracuse University

2018 Moynihan European Summer Research Grant ($1,000)
Center for European Studies, Moynihan Institute of Global Affairs, Syracuse University

2018 GSO Travel Grant ($400)

Graduate Student Organization, Syracuse University

2018 Political Science Department Grant ($500)
Department of Political Science, Syracuse University

CONFERENCE ACTIVITY

2019 Association for the Study of Nationalities Annual Conference (May 2-4)
"Who Deserves Independence? A Dataset of Secessionist Grievances"

2019 International Studies Association Annual Conference (March 27-30)
"Who Deserves Independence? A Dataset of Secessionist Grievances" (with Ryan Griffiths)

2018 European Consortium of Political Research Joint Sessions of Workshops (April 10-14)
"Getting Right Back to Where They Started From: De Facto States Quest for Reintegration and the Status Quo"

2018 Political Science Research Workshop, Syracuse University
Discussant

2014 International Studies Association South Annual Conference (October 25-26)
"Great Power Aspirations, Regional Power Behavior: Russian Conflict Management in Central Asia and the Caucasus, 1991-2010" (with Derrick Frazier)

WORKSHOPS AND TRAINING

Carnegie International Politics Scholars Consortium and Network (IPSCON) 2018-2020

Inter-University Consortium for Political and Social Research (ICPSR) 2018

NGO Negotiation, Conflict Management Center, Syracuse University 2018

Interest Based Problem Solving, Conflict Management Center, Syracuse University 2018

Facilitation Training, Conflict Management Center, Syracuse University 2017

PROFESSIONAL MEMBERSHIPS

Phi Beta Kappa