A number of arrangements can enable different groups to cohabit in one state, whether by power sharing, or the development of regional and cultural independence, or the development of confidence-building measures that help to enhance the sense of security of the various groups involved. Each in its own way, these approaches are attempting to establish a democratic way of handling differences and introducing measures for access to power by all significant groups in a society. To avoid such a democratic arrangement being changed into a dictatorship of the majority, the regime has to operate on the basis of the rule of law with equal protection to all citizens. In this context, where individual rights are protected, collective rights should naturally be protected too. Rarely is separation seen as a solution, as a given area will always have other minorities, especially in the Balkans or the Caucasus. Underlying each of these approaches is a general principle by which all significant groups should have a voice in decisions, i.e. have access to power while maintaining some kind of autonomy. All of them advocate some decentralization of state structures, often through a federal type of arrangement.

1.2.2 Demographic problems, displaced persons and refugees

The refugee phenomenon affects such a large percentage of the population that it represents a new instability factor. At the present time, there are still nearly 1.3 million refugees and displaced persons in the Balkans. ¹⁰ The South Caucasus has nearly 1.4 million refugees and displaced persons. ¹¹ If we compare these figures with 1999 (see Table 1), we can see a significant homeward movement of refugees in SEE but not in the Caucasus, where forced migrants are just trickling back.

¹⁰ UN High Commissioner for Refugees (UNHCR), "The Balkans - What next?" *Refuge*, No. 124 (October 2001). See also UNHCR, *South-East Europe*, 2001, 4 pp. http://www.unhcr.ch/fdrs/ga2001/overseeu.pdf>.

This figure rises to two million if we add the North Caucasus. See Chap. 8 of UNHCR, *The State of the World's Refugees 2000*, Oxford: Oxford University Press, 2001. http://www.unhcr.ch/pubs/sowr2000/sowr2000toc.htm.