A Cost-Benefit Analysis of Border Corruption in the Conflict Regions in Georgia and Moldova

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Abstract
        Corruption is perceived as one of the worst factors inhibiting the state-building process. It, however, poses a significant threat to young democracies. Some theorists argue that, under certain circumstances, corruption might bring some benefits that can even overweigh its costs. For example, minorities denied certain services that might profit from corruption by bribing their way through. This can contribute to lessening tensions between groups. This article examines two cases of frozen conflicts and the role corruption might have played in the conflict resolution process over the last decade: South Ossetia in Georgia and Transnistria in Moldova. After analyzing the "soft approach" of the Moldovan state and the "hard power" of the Georgian state towards corruption and smuggling on the borders with the secessionist regions, we argue that the costs young democracies pay for their unwillingness to combat corruption is significantly higher than the modest benefits they can derive from handling these challenges with caution[2].

Keywords: Corruption, "frozen conflicts", Moldova, Georgia

Introduction
        Corruption is usually defined as a perversion, a disease of the political system. There is an abundance of forms of corruption, starting from street-level bribery to "state-capture". Also, definitions of corruption vary widely, too. Classification attempts of corruption distinguish among: (1)"black" (punished and condemned by the society as a serious violation of moral standards and the law), "white" (widely tolerated by the society), and "grey"

(corruption that is far less tolerated) (Heidenheimer, 1970); (2) "grass-eating" (officials take bribes if offered) and "meat-eating" (officials solicit bribes) corruption (Knapp Commission); (3) public office-centered, market-centered, and public interest-centered approaches (Holmes, 2015). Dichotomies often discussed in the literature include public versus private corruption, petty versus grand corruption, passive versus active corruption (Kubbe, 2013).

Without going into details of the debate, which of the definitions covers all aspects of this worldwide phenomenon? We consider the definition shared by Transparency International—"corruption is the abuse of entrusted power for private gain"—to offer enough clarity to meet the purposes of this article. There are no corruption-free states in the world but, usually, a higher level of democracy implies less corruption. Most conflict-affected countries are among the most corrupt (Le Billon, 2008). Corruption allows the predators to exploit the weak and vulnerable. Also, conflict resolution processes are slow where officials use their powers for personal gain, instead of serving the public benefit. Today, it is universally recognized that "corruption lowers economic growth, makes public institutions less efficient, hampers foreign investment, undermines trust in the state, and reduces the quality of life for billions of people" (Warf, 2019).

Corruption in law enforcement, tax administration, and customs pose a very dangerous problem. For example, "if corruption reduces government revenue, this has detrimental effects on the state's overall capacity to protect the populace" (Holmes, 2015). Weak border control is one of the significant factors that have contributed to the establishment of various "black markets" all over the world, where drugs, weapons, and humans are traded. After the downfall of the Soviet Union and war in Yugoslavia, such markets appeared in Eastern Europe, too (Moran, 2011). In the process of EU enlargement, western European countries were much "concerned that...South-East European countries (Bulgaria, Romania) had excessively porous frontiers with their non-EU neighbors, largely because of high levels of corruption among border guards and customs officers" (Holmes, 2015).

However, there are also different approaches to the phenomenon of corruption. Following the "grease the wheels" view, some argue that corruption improves efficiency by allowing firms to circumvent cumbersome bureaucratic processes (Egger & Winner, 2005).[3] Indeed, "research on the effects of corruption on investments has generated mixed results" (Cuervo-Cazurra, 2008).

These bold views are not new. In the 1960s, a group of American and British scholars argued that corruption is not always a purely negative

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[3] In contrast, the "sand the wheels" perspective maintains that corruption impedes investment by raising the costs and uncertainty (Brouthers et al., 2008; Warf, 2019).

phenomenon, after all. Revisionism in corruption studies, as it is referred to, suggests that "we move away from moralizing approaches toward corruption and instead consider it in rational, functional terms" (Holmes, 2015). A group of revisionists, "the so-called functionalists, viewed corruption as a necessary vehicle for reinforcing efficiency and fostering economic growth by cutting bureaucratic red tape, redistributing resources, improving social welfare, and contributing to political development" (Kubbe, 2013). Some forms of corruption can help to strengthen political parties, who can benefit from governmental corruption and patronage, claimed Samuel Huntington. This is normal because modernization is accompanied by corruption since this process involves "the expansion of governmental authority and the multiplication of the activities subjected to governmental regulation" (Huntington, 2007).

Joseph Nye considered that (1) under certain circumstances, corruption can be used to avoid radicalization of certain disadvantaged groups, "non-elites", minorities: corruption gives them a chance to access services they are usually denied. Allowing these groups to integrate can contribute to avoiding, preventing conflicts and tensions in societies that are split on an ethnic, religious, or racial basis. Also, (2) corruption can help to promote economic development in certain societies by cutting red tape or helping in capital formation. Furthermore, (3) corruption can positively influence government capacity when those in power do not rely only on coercive measures, incentives and make "corrupt material incentives ... a functional equivalent for violence" (Nye, 1967). Thus, there is a probability that, under certain circumstances, the benefits of corruption can outweigh its costs.

Leff also viewed corruption as a lubricant for slow and inefficient governmental processes and as a hedge against bad policy. Interestingly, he concludes that "preoccupation with corruption can itself become an impediment to development". This would be the case if the focus on corruption takes away all attention from other political and economic problems and "from the measures that can be taken despite corruption" (Leff, 1964).

The revisionist approach, and especially this last observation of Leff, is central for our research. This is because the analyzed anti-corruption campaign of the Georgian Government after the "Rose Revolution" in 2003 is often blamed by some analysts to have diverted attention from other significant political issues, such as reconciliation efforts in the breakaway regions and resulted deterioration of relationships between societies across de facto borders. Corruption has been viewed as the main roadblock to reforms by many post-Soviet republics since the legacy was extremely burdensome.

In the Soviet Union, corruption was part of everyday life. All state institutions were deeply involved in informal practices. As a result, ordinary citizens didn't trust the state and relied mostly on themselves, or their keen,

when confronted even with routine challenges, such as buying household stuff. This was especially true in the last decades before the downfall of the Soviet Union. Embezzlement, administrative corruption, bribery ("*blat*" and small gifts), abuse of authority, and report padding were widespread even before the deficit. In addition, scarcity of goods in the '80s made the disastrous depth of corruption obvious for the whole world (Schwartz, 1979).

Schwarz argued that "corruption in the Soviet Union has the crucial function of serving as a substitute for reform of the institutional structure. Report padding, abuse of authority, and bribery in limited forms may not be ultimate in political development – but they are clearly preferred by the current leadership to the alternative of institutional reform" (Schwartz, 1979). Thus, prospects for reforms seemed unrealistic to the authors. Old habits die hard and a lot of post-Soviet societies show a similar attitude to reforms and transformation.

Most of these perverse practices were inherited by the 15 independent states, often still referred to as post-Soviet states. Almost all of them (excluding the three Baltic states) still have high levels of corruption: presidents and political elites that govern for decades, violations of human rights and freedom of speech, and erosion of state institutions. Since corruption is a universally condemned problem, all of these young states have made efforts to come into compliance with international legislation. For example, they joined and ratified *the UN Convention on Corruption* or created agencies to fight corruption. "Most post-communist regimes have succeeded in putting in place the structures of democracy, including many laws and regulations designed to limit corruption, yet they rarely work in practice due to the lack of enforcement capacity and political will" (Karklins, 2005). Lack of political will can usually be traced back to the economic interests of political elites, which were often represented by the same persons from the Soviet *nomenklatura* who managed to survive the turbulent '90s by rejecting the communist ideology.

In the '90s, the newly established states had to go through experiences that differed quite a lot. For instance, countries of the South Caucasus plunged into bloody wars and ethnic collisions. Ukraine and Belarus didn't have to go through this traumatic experience but, as time showed, neither of these countries, neither conflict-affected nor conflict-free, managed to build strong state institutions and get rid of corruption. "None of the 15 post-Soviet successor states was able to avoid the "transitional slump", as economists euphemistically call the sudden economic collapse in the wake of privatization, liberalization, and the breakdown of the Soviet trading system. Yet few post-Soviet states were hit as hard as Armenia and Georgia whose economic transitions were further aggravated by devastating civil wars (Georgia) and an economic blockade (Armenia). Despite these odds, both

countries were able to revive their economies by the mid-1990s" (Stefes, 2006).

Building democratic state institutions is a challenge that is significantly affected by corrupt networks: ruling elites undermine efforts of reforms and use all available leverages to block initiatives that can harm their privileges. The weakness of institutions manifests itself in different ways, slows down democratization and economic development, and undermines security. Georgia, Moldova, and Ukraine have suffered much because of fraudulent elections, biased lawmakers, judges, and bureaucrats. Confronting an openly aggressive policy from the Russian Federation, these countries led a survival game not only against these foreign forces but also against domestic enemies. Separatist regions are therefore twice dangerous for these weak democracies.

Georgia was first to plunge into armed conflict and bloodshed; Ukraine, as it was believed, would be able to avoid an open military confrontation with Russia; and Moldova managed to avoid escalation of the conflict in Transnistria. The approach that Georgia adopted in the case of South Ossetia and the approach that Moldova adopted in the case of Transnistria are rather different. In the case of Georgia, it can be described as a mixture of "hard" and "soft power", which is a "smart power" approach. In the case of Transnistria, it is rather "laissez-faire" approach or a decision not to intervene.

The question we pose following the "revisionist" approach of Nye, Jeff, and others is if allowing a certain amount of corruption, like smuggling across the borders with secessionist regions, is an acceptable price worth paying, if the benefit is a "frozen", violence-free status quo that can lead in a long-term perspective to conflict solving. At the same time, we hypothesize that this price costs the conflict-struck countries its reputation and endangers political and economic development, leading to stagnation and even deterioration of political institutions.

De facto South Ossetia and Georgia's "Hard Power"

Ethnic conflicts affected the development of the young Georgian state in the '90s and continue to dominate the political life in the country since its independence. For example, the constitution reads that the issues of local self-government, as well as the model of bicameralism of the Parliament, will be decided only after the restoration of territorial integrity. Breakaway regions of Abkhazia and so-called South Ossetia represent uncontrollable territories run by semi-criminal groups connected to Russia. Furthermore, the so-called borders with these two regions represent enormous challenges in the field of security and development for all Georgian governments.

South Ossetia is one of two breakaway regions of Georgia historically known as "Samachablo" (See Map N1), a region with a weak economy, dependent on subsidies from Tbilisi (after secession on subsidies from Russia), and with a high level of ethnic Ossetian-Georgian intermingling (Souleimanov, 2013). In the north, South Ossetia borders with Russia, connected with the Roki Tunnel, was completed in 1984. After an armed conflict in 1991-1992, South Ossetia declared independence and since then, together with Abkhazia, seeks international recognition. In the August war of 2008, South Ossetia made worldwide headlines, when Georgian and Russian armed forces clashed in an open full-scale military operation. Thousands of Russian soldiers were transported through the Roki Tunnel and engaged in military actions far beyond the borders of South Ossetia deep in the Georgian territory. Russian troops remain in the region, regularly causing trouble by "arresting" Georgian citizens for violation of "state borders" and bringing them to Tskhinvali –the capital of South Ossetia– or by making headlines because of the "creeping occupation", moving the "state border" deeper into Georgian territory.[4]

During the '90s, Georgia was extremely ineffective in all directions of public policy and, as a result, the borders with the secessionist regions were open for all kinds of illegal and criminal activities. Corruption was widespread in Georgian law enforcement agencies. Due to corruption and ineffective administration from the Georgian side and chaos on the other side, South Ossetia presented a paradise for smuggling, theft, kidnapping, before the "Rose Revolution" in 2003 brought a new government into power in Tbilisi.

Mainly used for smuggling drugs, the borders also presented other dangers to the state. Groups of armed people from the North Caucasus crossed time after time the state border with Russia for purposes still not clear. Russia constantly threatened to fight back "terrorists hiding on the Georgian territory". One of the incidents happened in 2002 when "a Chechen rebel force of around 200 militants under the command of warlord Ruslan Gelayev broke through the border into the Russian region of Ingushetia from the Georgian side. Gelayev himself was killed in the ensuing skirmish with federal troops, leading to his force back to Georgia by an alternative route through Dagestan in December 2004" (Arasli, 2007).

Thus, "exposed to the challenging regional geopolitics and without any luxury to enjoy the peace dividend, Georgia's security-related considerations were paramount" (Gvindadze, 2017). Overhaul of the law enforcement agencies was of the highest importance in the context of the reforms after the "Rose Revolution". Otherwise, the system of national security would be

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[4] See for example: Living on the shifting border of Georgia and Russia - https://www.nytimes.com/2018/02/13/lens/living-on-the-shifting-border-of-georgia-and-russia.html

exposed to dangers. "With the law enforcement entities firmly in the service of the state, the authorities were in a position to deploy efficient counterintelligence and anti-crime effort and the government reformers felt protected when taking on the vested interests" (Gvindadze, 2017).

On the wave of the "Rose Revolution" reforms, a serious dilemma emerged for the Georgian reformers: the process of building strong institutions included reforming the police and border police control, closing all illegal ways of trade with the breakaway regions. On the other hand, this would mean cutting some communication ways with the population in these regions and curbing space for dialogue and interaction remaining for locals on the two sides of the "border".

Consequently, the new government had ambitious plans of reforming the failing Georgian state and securing its borders was an important step in the process. "Borders are first and foremost sites and symbols of power" (Donnan/Wilson, 1999, p.1). As such, "borders are key locations where the state asserts its authority by erecting border and customs posts and by limiting the flows of people and goods eligible for transit" (Oltramonti, 2013).

According to the official position of the Shevardnadze (Georgian) government in Tbilisi before the "Rose Revolution", "Georgian authorities have not established border guard and customs service checkpoints in South Ossetia since secessionists would immediately interpret this as an attempt to establish a new Georgian state border" (Kukhianidze et al., 2007). Smuggling was a major source of income for South Ossetia. Georgian criminal groups cooperated with the Ossetian criminal groups enabling different goods to flow in both directions: drugs, stolen cars, cigarettes, citruses, etc. They also guaranteed high income for the local fat cats in South Ossetia and corrupt officials in Tbilisi.[5] A special role in the scheme was played by the black market in the village of Ergneti. The main route for smugglers in the region was through the Roki Tunnel from Russia to the "Ergneti Market"[6] and further to Tbilisi and other parts of Georgia. Goods, such as cars stolen in Tbilisi,

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[5] "OSCE officials estimate that some $60-$70 million in goods pass through the tunnel each year, compared with an official South Ossetian budget of roughly $1 million in both Abkhazia and South Ossetia" (King, 2001).

[6] Ergneti itself is a small village, a location where Georgian and Ossetian official representatives still meet on regular basis to negotiate current situation in the conflict region. "During the 2008 August war, most of the population left the Village, but the overwhelming majority of those displaced returned to Ergneti a few weeks to months later, after the retreat of the Russian forces and South Ossetian militias. Most houses they returned to had been destroyed, and the household and economic assets other than those that they were able to carry with them while fleeing the fighting, including livestock, had often been lost, destroyed or looted" (Danish Refugee Council, 2013).

disappeared in the direction of Ossetia daily and were further transported to Russia.[7]

The criminal groups on both sides were influential, with ties in the government and public support among locals. For example, a powerful gangster from the Georgian side, Khmiadashvili, nicknamed "Robota", led a 40-member strong gang. With a background in special police forces, backed by his cousin in the Regional Police, Khmiadashvili was involved in kidnapping, car trafficking, etc. From the Ossetian side, the "black business" was protected by the "Sports Mafia", allegedly headed by the chief trainer of Russia's freestyle wrestling team. Marek and Erik Dudaev, later well-known terrorists, felt free to kill and loot in the best tradition of the Wild West (Kukhianidze et al., 2007).[8]

The involvement of Russian troops in the smuggling was also obvious. Some researchers even see reasons for the 2008 August Russian-Georgian war closely connected with these ties: "Although direct evidence is difficult to come by, the scale of these illegal activities suggested the active complicity of senior Russian officials, who acted as the criminals' patrons and partners. Of course, the conflict was fueled by many factors, including ethnic strife, domestic Georgian politics, and Russia's desire to assert its hegemony in its near abroad. But it is also conceivable that among the interest groups pushing the Kremlin toward war were those involved in lucrative trafficking operations in the contested areas" (Naim, 2012).

After the 2008 August war, Russians sealed the "borders" of Georgia and South Ossetia. Local Georgians who cross the "border" are frequently kidnapped for allegedly "unlawful violations of state borders" and kept in captivity for longer periods. Usually, the intervention of EU monitors is necessary to free them. "An unarmed civilian monitoring mission of the European Union" was deployed in September 2008 "following the EU-mediated Six Point Agreement which ended the August war".[9] The mission has almost 200 monitors, who are patrolling the region day and night and react

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[7] "Drug trafficking is an entrenched problem in Georgia because of its location on the transit route through the Caucasus. The criminal groups involved in narcotics trafficking in the region originate from Abkhazia, South Ossetia, Chechnya, and Azerbaijan, as well as from other former Soviet republics and Turkey" (Traughber, 2007).

[8] The situation was so grave, that even after a major cleansing of the law enforcement agencies, there still were serious cases of corruption. "In a significant case in 2006, stolen HEU (highly enriched uranium) had reportedly been smuggled from Russia to Georgia with the aid of a corrupt border official who was a relative of the principal smuggler, Oleg Khintsagov". (Legvold, 2009)

[9] https://eumm.eu/en/about_eumm/mandate

very quickly to incidents, like Georgian citizens arrested by Russian military forces.[10]

In 2004, on the wave of the "Rose Revolution," Georgia choose not to compromise with the widespread corruption and Saakashvili's government closed the Ergneti Black Market; this led to less criminal activities in the region and more revenues into the state budget[11] (See also Table 1). As a result, "South Ossetia" found itself economically trapped. This, as critics say, made the Ossetians more desperate and anti-Georgian, leading them to come closer with Russia.

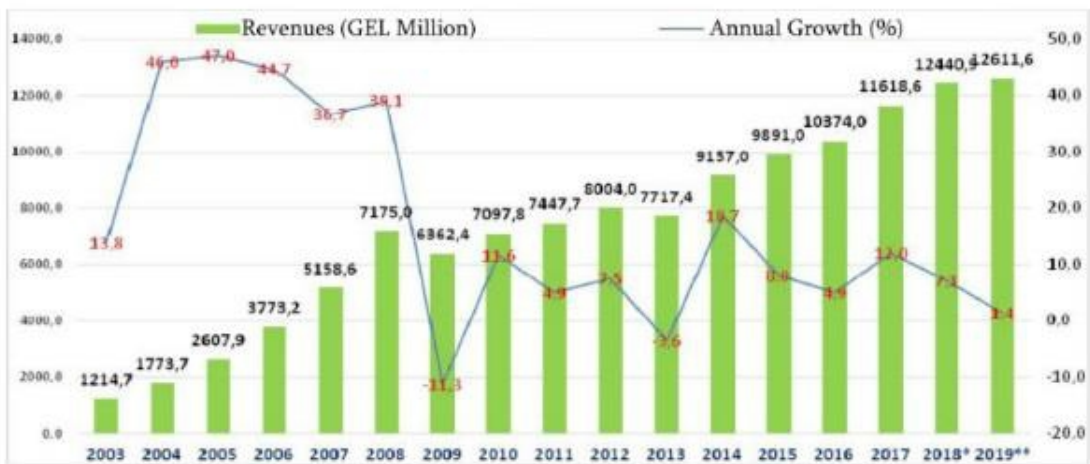## State Budget Revenues (GEL Million, %)

Table 1.
Source: The Financial, 2018.
https://www.finchannel.com/world/georgia/76199-mikheil-saakashvili-in-my-time-the-state-budget-increased-tenfold-whilst-in-ivanishvili-s-time-it-decreased-by-8-in-usd

It was believed that a strong, democratic Georgian state would attract the population of separatist regions.[12] "An invigorated, wealthy, and

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[10] The Tasks of the Mission are defined as: ensuring that there is no return to hostilities; facilitating the resumption of a safe and normal life for the local communities living on both sides of the Administrative Boundary Lines (ABL) with Abkhazia and South Ossetia; building confidence among the conflict parties; informing EU policy in Georgia and the wider region. Source: https://eumm.eu/en/about_eumm/facts_and_figures
[11] Closure of Ergneti Black Market Boosted Customs Revenues - https://old.civil.ge/eng/article.php?id=7734
[12] Georgian anti-corruption reforms were praised worldwide and are described in various researches and publications, such as: Fighting corruption in public services: chronicling Georgia's reforms (English), World Bank 2012, or L. Holmes, Corruption: A very short introduction, Oxford University Press 2015.

democratic Georgian state would reassure the populations of Abkhazia and South Ossetia, Saakashvili contended. Instead of living in political limbo of an unrecognized state (at least before August 2008), the citizens of Abkhazia and South Ossetia would receive real political and cultural autonomy within a Georgian state. Furthermore, they would benefit from the investment potential, increased infrastructure, and a higher standard of living that all Georgian citizens would enjoy" (George, 2009).

In 2006, an alternative government of South Ossetia was created by the Georgian central government. Led by Dimitri Sanakoyev and his ministers (including a minister for foreign affairs), they were to represent those refugees who had to leave South Ossetia and were not allowed back to their homes.[13] Sanakoyov, who had fought against Georgia during the conflict in the '90s and later occupied high positions in the de facto government of Ossetia, was expected to give people on both sides of the conflict border a sense that the Georgian government is not only showing hard power but is ready for a dialogue. "There are more guarantees of developing Ossetian language and culture in Georgia than in Russia. I don't want the Ossetian people to disappear from the world political map", announced Sanakoyev.[14]

"The Sanakoyev Project" was an important undertaking for the Georgian Government: first, it was a sign that there was a more civilized alternative to the corrupt, illegal ways of exchange and trade between people of the conflict region. The Sanakoyev government has the support of the central government to implement educational, healthcare and cultural events for people affected by the conflict. Healthcare has always been the most acute issue since there was almost no means to access qualified medical services in South Ossetia.[15] Second, the success of the alternative government in the Ossetian case would be an important sign for Abkhazia, another breakaway region of Georgia. If the "soft power" of the Georgian authorities would work in Ossetia and progress could be achieved, hope for progress in the Georgian-Abkhazian conflict resolution could be foreseen too. Although there is no dramatic tangible result of this "soft power" approach, in either case, Georgia still continues to pursue it for years now hoping to harvest improvement of attitudes and perceptions of the "Georgian state" and "Georgians" among Abkhaz and Ossetians in the future.[16]

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[13] Tbilisi Willing to Formalize S.Ossetia Alternative Government -
https://old.civil.ge/eng/article.php?id=14224
[14] Sanakoyev: Most Ossetians Support Broad Autonomy -
http://www.messenger.com.ge/issues/1405_july_23_2007/n_1405_3.html
[15] Georgia builds modern hospital in Tskhinvali region -
http://geotimes.ge/_old/archive/index.php?m=home&newsid=5144&lang=eng
[16] "The state hands out grants for university education, and provides free medical assistance and benefits," says Bibilaia. It's an open secret that people living in the unrecognised republic also go to Georgia for their healthcare needs; provision in Abkhazia is not adequate, but to be

Smuggling and criminal activities were also widespread at the "borders" of Georgia and Abkhazia, and the central government of Georgia being unable to control local and international criminal groups. Hundreds of thousands of refugees from Abkhazia (mainly ethnic Georgians) are scattered around the country (part of them had left Georgia). The legitimate Government of Abkhazia continues to function till now on the territory of Georgia and is supposed to be taking care of the affairs connected with the refugees. Today, smuggling is still widespread at the Georgian-Abkhaz "border" (a case of child trafficking was recently discovered by Georgian authorities).[17] This allows the locals on both sides to communicate occasionally (under strict control and involvement of Russian troops), but the peace-building process has not advanced even a bit.[18]

Closedown of the market in Ergneti has become a matter for political debates and speculations: cutting the smugglers' ways. Furthermore, it also destroyed opportunities of local farmers to access markets in the North (Russia) and left local Georgians and Ossetians without a meeting point. Saakashvili's government didn't want to turn a blind eye on corruption in the region, but the opposition party "Georgian Dream" (currently in power since 2012) didn't agree with this approach and made the restoration of the Ergneti market one of the promises in the election campaign in 2012.

In 2012, President Saakashvili's "National Movement" lost elections and a new party, "Georgian Dream", led by a billionaire Bidsina Ivanishvili came to power. After winning elections, the new political power criticized the aggressive and straightforward approach of the previous government and, in 2013, repeated the promise to restore the Ergneti market and try to create a space where Georgian and Ossetians could meet[19]. The fact is that the Georgian Dream never managed to hold this promise.

Looking back at revisionists' arguments about the benefits of corruption outweighing the costs under certain circumstances, we can ask the

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seen by a Georgian doctor, you'll need a Georgian passport. Many people try to keep this quiet, she continues, as they might get into trouble at home. At the moment, Ukraine is trying to set up a similar scheme for citizens who continue to live in Crimea, Donetsk and Luhansk". Source: https://www.opendemocracy.net/en/odr/neither-here-nor-there-georgian-refugees-from-abkhazia/

[17]https://oc-media.org/ukrainian-woman-heading-to-abkhazia-arrested-on-suspicion-of-child-trafficking/

[18] *Georgian government allows cigarette smuggling from Abkhazia, Gali residents say-* https://dfwatch.net/georgian-government-allows-cigarette-smuggling-from-abkhazia-gali-residents-say-52578

[19] *Georgia considers reopening Ergneti market-* https://dfwatch.net/georgia-considers-reopening-ergneti-market-56569-30209, **also Ergneti Market to be Restored: But at What Cost?-** http://old.georgiatoday.ge/article_details.php?id=12535

question if the "South Ossetian" case was an example of this: would preserving Ergneti Black Market be possible without sacrificing internal stability and economic development in Georgia? Was the benefit from the informal communication between Georgians and Ossetians higher than/worth the cost that the Georgian state was paying when allowing a black market function? Did Moldova choose a better approach in Transnistria and avoided escalation of the conflict by turning a blind eye on certain corruption in law enforcement agencies?

Transnistrian Moldovan Republic and Moldova's "Soft Power"

Transnistria is one of the "frozen conflict zones", de facto states in the post-Soviet space. A breakaway region of Moldova, Transnistria, doesn't border with Russia but is backed and supported by Russia (See Map N2). Sandwiched between Moldova and Ukraine, Transnistria struggles for international recognition. So far, only self-proclaimed states such as Abkhazia, South Ossetia, and Nagorno Karabakh have done so. A very similar scenario as in Georgia has developed here after the dissolution of the Soviet Union, when Moscow backed separatists, plunged the country into a civil war.

A military confrontation between Transnistrian separatists and the official forces of the Moldovan government started in 1992. Separatists, supported by the Russian fourteenth army, received weapons, guidance, and even soldiers from the Russian military base. In clashes in Benderi, a town close to Tiraspol, several hundreds of people lost their lives (Katchanovski, 2014). Around one thousand dead, five hundred wounded, and a hundred thousand refugees were reported in this hot phase of the conflict (Kuchler, 2008).

General Alexander Lebed, also notoriously well known in Georgia, in his pretense to prevent violence, "ordered the bombardment of the Moldovan troops to stop their advance on Transdnistria" (Katchanovski, 2014). Indeed, violence has stopped, and Transdnistria found the protection of Russian military bases. Since then, Russia claims to be on a "peacekeeping mission" in the region, backing the puppet regime in Tiraspol and planning to remain in the region indefinitely (Kuchler, 2008).

Over time, what was supposed to become "little Switzerland"[20] became a den of criminals, flooded with weapons. "The Moldovan region of Transnistria is flooded with criminal groups and illegal arms dealers, with transnational criminal and terrorist organizations skillfully using these separate sectors to their advantage. The most dangerous organized criminal

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[20] **Transnistria: the price of unilateral independence -**
https://www.equaltimes.org/transnistria-the-price-of?lang=en#.XWfMnS4za01

operations are creating their military units and illegally producing and selling arms and explosives" (Busuncian, 2007).

Transnistria is not the only challenge for Moldova. However, residents of the Autonomous Territorial Unit – *Gagauzia* – are under the total influence of Russian propaganda and according to the 2014 referendum, see their future only with Russia (Saran, 2018). Balti Municipality also showed some signs of separatism, anti-European sentiments fueled by pro-Russian local figures (Saran, 2018).

Russia maintains control over Transnistria through economic, political, and military leverages; provides funding for social purposes, like pensions, since 2008; Russian "Gazprom" supplies gas to the local "TiraspolTransGaz" free of charge; energy resources provided to locals below market prices help to generate revenues from local businesses, helping the local budget keep floating (Kermach, 2017). A referendum was held in Transnistria in 2016 where 98.07 voted for independence and potential integration with Russia.

Moldova's policy towards the separatist region can be described as "soft power": official Chisinau allows economic agents from Transnistria to conduct legal foreign trade to export goods and enjoy all the benefits of the free trade agreements Moldova has signed with the EU (DCFTA) (Kermach, 2018).[21] Registration in the Ministry of Justice of the Republic of Moldova is necessary, though taxes paid by the agents go to the budget of Transnistria. Also, residents of Transnistria in most cases have triple citizenship – Russian, Moldovan, Transnistrian – allowing them freedom of movement. Neighboring Ukraine, with a rather weak border control and high level of corruption, made smuggling (cigarettes, agriculture products, etc.) an excellent source of income for the locals for many years. Currently, "football diplomacy" is widely discussed as an alternative form of bringing people from both sides of the Dnistr river together again. Thus, these charity matches allow Moldovans, Russians, and Ukrainians living on both sides of the conflict to meet and make politicians proud and hopeful that peace is still possible in the region.[22]

Transnistria also borders with Ukraine that had to experience a very similar scenario of what happened in Georgia earlier. In 2014, secessionist forces, supported by Russia, provoked in the Donbas region a military conflict which plunged the country into a war that has a tremendous influence on the political and economic development of the whole country. For Ukraine, this is probably even more problematic than for Georgia, since a large part of the country, Crimea, has already been occupied. Besides, political instability in

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[21] In response, in 2014, backed by Russia, Transnistria and Gagauzia started looking for closer economic ties with Russia, refusing to "bite the bait" and get closer to Moldova (Ivan, 2014).
[22] How football brought Moldova and Transnistria together, despite 27 years of frozen conflict - https://www.calvertjournal.com/features/show/11180/moldova-transnistria-football-union

the country has left its influence, in that, the level of corruption is much higher in Ukraine than in Georgia. Transparency International ranked Georgia 46th and Ukraine 130th in 2017 in the annual Corruption Perception Index (CPI).

Similar to Georgia, Ukraine has two major problematic places at the borders. One of these is already in flames and the Russian aggression shows no signs of diminishing. The other vulnerable place for Ukraine is the border with Moldova. An unrecognized territory with a pro-Russian government, Transnistria, poses threats in various directions for Ukraine. Regarding high levels of corruption among Ukrainian law enforcement agencies (border police is usually among the most corrupt), the question is if the country can control the border and this "smugglers' paradise" and avoid potential provocations.

Recent joint efforts by Moldovan and Ukrainian governments to control the border have sparked anger in Transnistria, accusing Ukraine of blockading them. Backed by Moscow, Transnistria is not shy of complaining and threatening Kiev: "I think that Russia and Transnistria will now raise their bets and protest against the [new checkpoint],"[23] as the leader of the unrecognized republic. Also, previously "when pro-Western President Viktor Yushchenko came to power after Ukraine's Orange Revolution, he imposed tough customs controls on the border with Transnistria." Russia, which sends assistance through Ukraine, has deplored these as an "economic embargo" (Sanchez, 2009).

Not surprisingly, "borders" of the de facto states pose a serious threat not only for the two countries but for the European Union as well. Having a neighbor like Transnistria, in such proximity, is uncomfortable not only for Romania, sharing a border with Moldova and Ukraine, but other European states as well. Smuggling, trafficking, and illegal migration raise serious concerns in this region.

"Transnistria is a security issue for Europe due to the organized crime that occurs, including ongoing human rights violations at the hands of the mafia-style "government" of Voronin and his family and entourage. During a visit to Transnistria, reporter Simon Reeve for the British daily *The Mirror* said that "Transnistria has a Wild West feel and is a centre for smuggling […]. Even Interpol doesn't operate there" (Sanchez, 2009).

Moreover, there is evidence that Transnistria posed serious threats not only to the region but could also cause global troubles. "According to an investigation by British journalists, any person 'whether a political terrorist or religious fanatic' who possesses a necessary sum of money can easily acquire weapons in Transnistria that can pose a contamination threat to millions of

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[23] https://en.hromadske.ua/posts/black-market-state-have-ukraine-and-moldova-cornered-a-separatist-smugglers-paradise

people. The British journalists came very close to purchasing Soviet radioactive devices in Transnistria for USD 167,000 per item" (Busuncian, 2007).

As expected, next to this "black hole", countries like Romania felt uncomfortable. "... the continuing crisis in the Transnistrian region forced Romania to recognize Russia as an immediate threat to its security. These factors, taken together, narrowed Romania's foreign policy options substantially. The Iliescu regime saw no alternative but to forge the closest possible relationship with NATO as protection against Russia" (Kaufman & Bowers, 1998).

Romania was accused by Russian propaganda of alleged military support of Moldova in the Transnistrian conflict already in the 1990s. Therefore, "for a long time Romania didn't perform as an active player in the process of peaceful settlement ...due to the fact that active Romanization of Moldova of early 1990s that became one of catalyst of the conflict with the left bank part of the country created the contradictory image of Bucharest and negative initiate conditions for interference" (Shelest, 2011).

A possible merger of Romania and Moldova due to their close cultural ties has been an issue of discussion for a long time, irritating Russia and contributing to adding tensions to the relationships between Romania and Russia.[24] Russia refused on many occasions to withdraw military basis from the region and stands behind anti-Romanian propaganda in Moldova. Romania, on its side, tried to apply leverages to support anti-Russian sentiments in the region. Especially, as an EU member, Romania has its agenda in the region and has in different years tried to look for alternative formats of cooperation with involved actors (Shelest, 2011).[25]

The EU can play an important if not a decisive role in the conflict settlement: aiding Moldova's democratization, making Moldova more attractive in economic and social terms for Transnistrians[26], replacement of peace-keeping forces can become a most realistic scenario for future conflict resolution (Maksymenko, 2011) (A similar model is often put on the table by experts in the cases of Abkhazian and Ossetia conflicts.) Unfortunately, for

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[24] "When a nation has the opportunity to be together, it should not give up. It may not happen straightaway, but it will happen one day, because blood is thicker than water. I think this is the right time to say that we have this objective, if Moldovan people want this. I am convinced that if Moldova wants to unite, then Romania will accept"-Romanian President Traian Basescu announced in 2013. Source: https://reconsideringrussia.org/2014/04/04/moldova-and-transnistria-an-overview/

[25] Interview with Hannah Shelest.

[26] In 1991, Romania passed a law granting citizenship to the descendants of Romanian citizens expatriated or dispossessed of their citizenship during Soviet rule. After Romania had joined the EU, as expected, being citizen of Romania became a very attractive prospect for many.

two decades now, Russia manages to come up with different scenarios of how to prevent these from happening.[27]

In 2005, the European Union Border Assistance Mission to Moldova and Ukraine was established for border control. The mission has the aims: 1) to contribute to the peaceful settlement of the Transnistrian conflict by supporting the development of Transnistria-related confidence-building measures and approximation of legislation and procedures in customs, trade, transport, and trans-boundary management; 2) to ensure the full implementation of Integrated Border Management (IBM) practices at the Moldova-Ukraine border; 3) to assist Moldovan and Ukrainian authorities to combat cross-border crime more effectively (See the webpage of the mission for more).[28] Out of 67 border crossing points, 25 are at the Transnistria-Ukraine part of the border. The mission doesn't have executive powers, but it is a neutral advisory consultative body.[29]

As we see, there is a variety of actors involved in the Transnistrian case: Moldova, Transnistrian separatists, Russia, Ukraine, Romania, and the EU. For the given moment, an existing 5+2 format (Russia, Ukraine, OSCE as intermediaries, Moldova and Transnistria as conflict parties and USA and EU as observers) is believed to guarantee the protection of the human rights and ethnic minorities, as well as Moldova's sovereignty and provide a special status for Transnistria. Ukraine, the closest neighbor sharing borders with Moldova, has always tried to contribute to confidence-building between two sides and peaceful settlement, basing its approach on the "principles of inviolability of the generally recognized inter-state border of Europe" (Orlov, 2011).

Discussion
Can Georgia Learn from the Transnistrian Case?

For the research purpose of this article, we have selected two cases: Transnistria and South Ossetia.[30] There is one significant aspect of these two cases that made us concentrate on these two and not discuss other frozen conflicts existing in the regions discussed (Abkhazia, for example). Both, Transnistria and South Ossetia, see their future as part of the Russian Federation; both, strive for becoming part of Russia, while Abkhazia has

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[27] Interview with Iryna Maksymenko.

[28] http://eubam.org/

[29] Interview with Slawomir Pichor.

[30] In order to collect data for our research, we conducted semi-structured interviews with a number of scholars, politicians and head of the EUBAM mission; all selected respondents have previously worked, or currently work on corruption, or conflict resolution issues. Odesa was selected since the headquarters of the EUBAM mission is located in the city; Odesa region borders Transnistria; local scholars intensively work on the border control and corruption issues.

declared an intention to free itself from any kind of dependence and become an independent state. Becoming part of Russia is not considered a desirable scenario.[31]

Conflicts, discussed in this article, like any other similar conflicts, usually deal with a variety of external and internal factors and involved actors that make comparative studies a specifically complicated undertaking. Numerous influential countries, with their geopolitical aims and governments with their agenda, try to influence policies and make the best out of chaos in the conflicting regions. Besides, the ethnic, cultural, religious diversity of the discussed regions turn the process of conflict resolution and reconciliation into a Sisyphean task.

In the cases of Transnistria and South Ossetia, an abundance of involved actors turns the discussion of future scenarios of development into a rather speculative task. In the South Ossetian conflict, there are several active actors: South Ossetia, Georgia, Russia, EU, USA, and international organizations. In the Transnistrian case, it gets even more complicated: Transnistria, Moldova, Russia, Ukraine, Romania, EU, USA, and international organizations who are actors and stakeholders in the process of conflict resolution (Urse, 2008). The "Russian factor" has proven to be decisive over the last decades because whatever efforts the sides of the conflict make to start a peaceful process of negotiations and reconciliation, Russia makes aggressive and disruptive steps to signal to its interests in the game.

Despite all the similarities between the cases of Transnistria and South Ossetia, the main being, of course, Russia openly backing separatist forces and creating obstacles for dialogue,[32] there are several significant aspects of the conflicts that have to be taken into account in a comparative effort.

First, Ukraine and Moldova enjoy a peaceful neighborhood and cooperate on joint border patrolling and other issues. Unlike this, Georgia and Russia have no diplomatic relations since 2008. Russia is referred to as "the occupant" by all major Georgian political actors. Also, Georgia is considered by Russian establishment and media as a "fascist" state that organized an ethnic cleansing in South Ossetia. There is practically no chance that two countries will manage to cooperate on border patrolling in South Ossetia

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[31] Interview with Nino Pavlenishvili.

[32] For example, "In an attempt to perhaps gain some publicity and support, as well as to demonstrate Moscow's support for their cause, Smirnov, as well as Abhkazia's "President" Sergey Bagapsh and South Ossetia's "President" Eduard Kokoyty, appeared together on Russia's *Channel One Europe TV* in November 2006. In the Russian Television program called *Judge for Yourselves*, the three leaders made a case for the self-determination and independence of their respective states, arguing that these secessionist movements were "a defense mechanism against our annihilation" (Sanchez, 2009).

because what Russia considers as a state border, for Georgia, it is just an artificially created separation line between Georgian regions.

The second aspect is the geographic context: Georgia and South Ossetia are located far from the democratic world. External actors, such as the EU, are not in an immediate neighborhood. In the case of Transnistria, the EU is actively involved in border control since the situation on the border between Moldova and Ukraine can seriously affect security issues within the EU countries (Ukraine also borders with Romania, a member state of the EU). Therefore, in the Transnistrian case, Moldova and Ukraine profit from the neighborhood of the democratic states to the west, while Georgia is left face to face with a neighbor who is an aggressor, openly bullying the weak states in its neighborhood.[33]

Third, the Georgian-Ossetian conflict was of ethnic character and left deep scars and traumas on both sides. Transnistrian conflict, in contrast, was not of ethnic nature. After the 2008 war, the alienation of Georgians and Ossetians has only increased. In Transnistria, economic factors seem to be playing a significant role in bringing people together.

Fourth, South Ossetia is economically fully dependent on Russia because the region has only a poorly developed agricultural economy that was never enough to feed it. Today, there is a Russian military base and the majority of Ossetians left in the region work for the base. Transnistria, on the other hand, produces goods that have a perspective to find customers not only in Ukraine or Moldova but even in the EU. Transnistria's external trade shows annual growth: textiles, footwear, machinery, agricultural products, etc. find their way to external markets, more than half of these goods ending in European markets, the rest in Russia and others.[34] Therefore, for Transnistria, the European market is a huge incentive, while for South Ossetia, it is not even a distant perspective.

And last: "Transnistria does not have a deep historical relationship with Moldova. Unlike Georgia's conflicts with Abkhazia and South Ossetia, in which the Georgians attach deep emotional and historical significance to their breakaway regions, the same really cannot be said for Transnistria and Moldova. Transnistria was attached to Moldova proper in 1940 and thus was only associated with it for 52 years until its secession in 1992. Compare that to the Georgian-Abkhazian or Georgian-Ossetian relationships which extend back several centuries into history. Indeed, most Moldovans, according to

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[33] This aspect has been discussed by other researchers too due to its' importance. "Moldova is lucky in this sense that it does not physically border Russia, however, its armed forces are too weak to stand up to the 14th Army. This may explain why Voronin has (in recent years) pursued Western support but has avoided, unlike Georgia's Mikheil Saakashvili, hinting at a new military confrontation with Tiraspol" (Sanchez, 2009).
[34] EUBAM, Annual Report, 1 December 2016-30 November 2017.

various opinion polls, are indifferent toward Transnistria. For the vast majority, the issue ranks as the ninth or tenth priority for the population of Moldova proper. According to one observer, "this stands in striking contrast to the much higher preoccupation with frozen conflicts in other post-Soviet countries such as Azerbaijan and Georgia."[35]

In the case of Transnistria's frozen conflict, we have witnessed a rather long time without violence. At the first glance, the soft approach by Moldova aimed at confidence-building, and rapprochement is successful and even if not leading to solving the problem (see referendum results in Transnistria), at least, manages to protect citizens from bloodshed. For Georgia, where the 2008 war has deteriorated most of the threads of communication between people, Moldova's policy might seem like an attractive alternative to the previous policies.

However, several aspects of the Transnistrian and Ossetian separatism give a reason for skepticism. Differences described previously are not the only factors for this skeptical vision: the main question here is if the "soft power" policy of Chisinau is a well-thought-out strategy of the political actors with clear goals or a sign of low political will and inability to confront the challenge.

Experts claim that corrupt interests of business and political elites hide behind the "hybrid" policy of Moldova.[36] This speaks rather about the weakness of the Moldovan state. In this case, the calm, peaceful tranquility in the Transnistrian region is rather a big deception hiding the uncomfortable truth that (1) local elites are getting rich in the status quo and (2) it is not in Russia's interest to stir up the situation in Moldova since it also feels content, or doesn't feel significant threats to its *russification* policy. However, Russia can turn the frozen conflict into a war zone if it sees an armed conflict promising benefits exceeding the expenses of maintaining the status quo. This can happen if Moldova starts implementing anti-corruption reforms, with the aim of closer integration with the EU, for example. Romania can play a significant role here, but it has its challenges in the field of accountable and transparent governance.

Meanwhile, Transnistria remains a republic in limbo, "a Soviet Disneyland" as some bloggers call it, posing threat to its neighbors. For example, in 2014, Ukraine expected Transnistria as another potential direction of Russian aggression, as it happened in Georgia during the August War in 2008 when Russian forces attacked Georgia not only from South Ossetia but also from Abkhazia.

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[35] **Moldova and Transnistria: An Overview -**
https://reconsideringrussia.org/2014/04/04/moldova-and-transnistria-an-overview/
[36] Interview with Artem Filipenko.

Transnistria and South Ossetia can be described as criminal states (though, South Ossetia with its current population of 8 thousand and a Russian military base of 12 thousand cannot be called even that).[37] "The criminal state ... refers to places not merely where criminal activity has penetrated widely within the state, but where the core activity of the state is criminal; that is, where the state depends overwhelmingly on the returns from illicit trade to finance itself and, therefore, not only protects, but, in fact, conducts the bulk of the business ... several of the so called *de facto* mini-states left in the wake of separatist struggles within the post-Soviet states—Abkhazia and South Ossetia in Georgia, Transdniestr in Moldova, and Nagorno-Karabakh in Azerbaijan—fit this description" (Legvold, 2009).

None of the actors of the Transnistrian conflict are interested in taking steps to solve this puzzle: Moldova, "despite its official non-recognition of Transnistria actually serves as one of the sponsors of its economic sustainability along with Russia" (Kermach, 2017). Transnistrians are allowed to conduct legal foreign trade on behalf of the Republic of Moldova, but pay taxes to the Transnistrian budget. Transnistrian business legalized in the Moldovan legal framework enjoys all the benefits of DCFTA, an agreement Moldova has signed with the EU. Also, more than 107 thousand Transnistrians hold citizenship of Moldova (Kermach, 2017).

Thus, this peace seems to be rather fragile. While the "soft approach" is supposed to give in the long run positive results, such as confidence-building between two sides, one still has to keep in mind (1) the Russian factor and (2) the stable, if not progressing weakness of the Republic of Moldova as an independent state. The first factor simply implies that Russia can use levers to stir up the situation despite the efforts of Moldova to keep a good relationship with Transnistrians. This is because the resources that Russia can allocate are so much significant than Moldova's resources even if supported by Romania, for example. Secondly, according to different worldwide ranking and researches, Moldova is among states with very low progress, or even slight levels of regress in democratization and economic development: ranked 47th in the "doing business rankings"[38]; 4.93 score according to the Nations in Transit Report (score 7 being the worst; See Table 2)[39], and extremely low ranking in the TI Corruption Perception Index.[40]

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[37] Interview with Paata Davitaia. Other experts gave slightly higher numbers, but all agree that the number of Ossetian population is extremely low.

[38] ***Rankings & Ease of Doing Business Score -*** http://www.doingbusiness.org/en/rankings

[39] https://freedomhouse.org/report/nations-transit/2018/moldova

[40] In 2017 Transparency International Corruption Perception Index Georgia is ranked 46 (score 56), Ukraine 130 (score 30)[40] and Moldova 122 (score 31); Russia ranked 135th (score 29). See also, https://www.transparency.org/cpi2018

Table 2. Nations in Transit data
Georgia

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
National Democratic Governance	6.00	6.00	5.75	5.75	5.50	5.50	5.50	5.50	5.50	5.50
Electoral Process	5.25	5.25	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.50
Civil Society	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Independent Media	4.25	4.25	4.25	4.25	4.25	4.00	4.00	4.00	4.00	4.25
Local Democratic Governance	5.50	5.50	5.50	5.50	5.50	5.50	5.25	5.25	5.25	5.25
Judicial Framework and Independence	4.75	4.75	5.00	5.00	5.00	5.00	5.00	4.75	4.75	5.00
Corruption	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Democracy Score	**4.93**	**4.93**	**4.86**	**4.82**	**4.75**	**4.68**	**4.64**	**4.61**	**4.61**	**4.68**

Moldova

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
National Democratic Governance	5.75	6.00	5.75	5.75	5.50	5.50	5.50	5.75	5.75	5.75
Electoral Process	4.00	4.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Civil Society	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Independent Media	5.75	5.75	5.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Local Democratic Governance	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50
Judicial Framework and Independence	4.50	4.75	4.50	4.50	4.50	4.75	4.75	4.75	5.00	5.00
Corruption	6.00	6.00	6.00	6.00	5.75	5.75	5.75	6.00	6.00	6.00
Democracy Score	**5.07**	**5.14**	**4.96**	**4.89**	**4.82**	**4.86**	**4.86**	**4.89**	**4.93**	**4.93**

In this context, the "soft" approach of the Moldovan side seems rather as an unwillingness or inability to deal with problems. A similar approach could be fatal for the young Georgian state in 2004, especially regarding factors such as Russia being just next door, having no neighbors that are democracies and EU members, and ethnic tensions between Georgians and Ossetians being still fresh in memory. According to the Freedom House's Nations in Transit data, despite the 2008 war, Georgia has better results in the democracy score than Moldova, which can only be explained by the successful anti-corruption reforms.

The Economist Democracy Index (EDI) is another tool to measure how countries are doing in terms of combating corruption and what kind of regimes

they represent (see Table 3). In 2017, both countries scored 5.94, but in the case of Moldova, the score is as a result of a decline in the recent decade, while Georgia showed significant progress over the same period. The score puts both countries in the group of hybrid regimes (score between 4 and 6).

Table 3. EDI data: Georgia, Moldova

Georgia ▼										
2006	2008	2010	2011	2012	2013	2014	2015	2016	2017
					5.95	5.82	5.88	5.93	5.93
				5.53					
4.90	4.62	4.59	4.74						

Moldova ▼										
2006	2008	2010	2011	2012	2013	2014	2015	2016	2017
6.50	6.50	6.33	6.32	6.32	6.32	6.32	6.35		
								6.01	5.94

Source: https://infographics.economist.com/2018/DemocracyIndex/
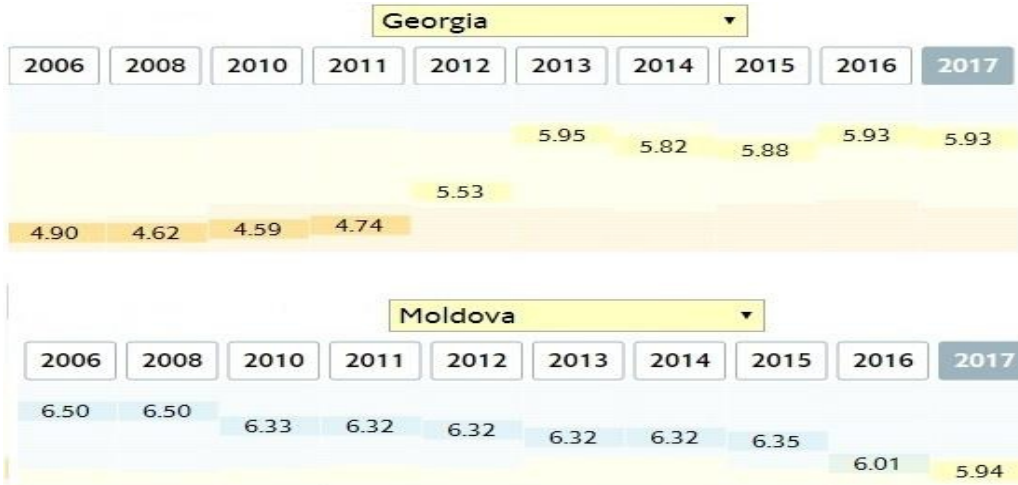
Conclusion

Georgian post-revolutionary reforms are often described as hard, aggressive, painful, and radical. In a short time, the country achieved substantial progress in several directions: law enforcement, education, tax collection, and the energy sector. Conflict resolution perspectives have suffered because of the harsh approach to the corruption that could have been taken more easily, viewed rather as "grey" corruption, some experts claim".

However, the importance of relations between Georgian and Ossetians through illegal routes, such as Ergneti market, was heavily overestimated, according to the experts we interviewed.[41] These were rather "dens of criminals", where all kinds of trade were possible and ordinary citizens, villagers were pulled into this swamp of theft and smuggling, making them part of international criminal groups.[42] The only justified way to deal with this kind of challenge is to close routes for illegal, criminal activities.

Moldova has not experienced such radical anti-corruption reforms; it still has significant problems with the accountability of the state institutions

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[41] Interview with Roman Gotsiridze.
[42] Some sources gave a dramatic picture of Ossetian population suffering due to these hard measures: "The closing of the contraband market deprived South Ossetians not only of consumer goods, but also of a source of income. Kokoity used this loss of financial succour against Saakashvili, and increased his own popular support (International Crisis Group 2004)" (George, 2009).

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and level of democracy. The Transnistrian conflict is "frozen" and violence-free not because the Moldovan government has chosen a better approach, but rather because being weak it doesn't present a threat to Russian interests. The price it pays for not addressing the problem of corruption aggressively can be seen in the low scores/evaluations of various international organizations. A similar unwillingness and inability to reform the state institutions in the Georgian case could cost its independence because through the geographic location, Georgia is more vulnerable.

International actors have also significantly contributed to the processes in both countries during the last two decades. The USA and EU have heavily supported anti-corruption reforms in Georgia since 2004. Also, democratization and strengthening of state institutions would be impossible without various projects implemented with western aid. In Moldova, the EUBAM project on the border between Ukraine and Moldova (Transnistria) has decreased smuggling and corruption on both sides. Unfortunately, Russia remains as a major player in both cases. Supporting separatists in various ways (military, economic, political), it is interested in keeping the conflicts "frozen" while creating obstacles for democratization and political or economic development of Georgia and Moldova.

Therefore, in the case of Georgia, and as we argue in case of Moldova too, the cost of corruption the country was paying (low reputation on the international arena and the region, empty budget, weak state institutions) was significantly higher than the hypothetical profit from turning a blind eye on corruption, including smuggling on the borders with the secessionist regions. The revisionists' argument that corruption is less evil in certain circumstances and can be tolerated if there is a profit that can benefit the society is not applicable and justified in the cases of South Ossetia and Transnistria.

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1. Hannah Shelest, Editor-in-chief of UA: Ukraine Analytica (22/06/2018, Odesa)
2. Artem Filipenko, National Institute for Strategic Studies (20/06/2018, Odesa)
3. Slawomir Pichor, Head of The European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) (22/06/2018, Odesa)
4. Iryna Maksimenko, National Institute for Strategic Studies - Odesa Branch, Mechnikov University, Odesa (20/06/2018, Odesa)
5. Roman Gotsiridze, Member of Georgia Parliament from the "National Movement" (23/05/2019, Tbilisi)
6. Nino Pavlenishvili, Associate Professor, Ilia State University (30/05/2019, Tbilisi)
7. Paata Dvitaia, Associate Professor, Sokhumi State University, former member of the Georgian Parliament (20/06/2019, Tbilisi)

MAPS:
1. Source: www.npr.orgsectionsparallels20170313519471110along-a-shifting-border-georgia-and-russia-maintain-an-uneasy-peace

2. Source: httpwww.ut.eeeikibergmapsalbumtransnistria