

# Police Reform and Corruption in Georgia, Armenia, and Nagorno-Karabakh

PONARS Eurasia Policy Memo No. 232  
September 2012

Nona Shahnazarian

*Center for Pontic and Caucasian Studies/Kuban Social and Economic Institute (Krasnodar)*

This memo seeks to explain the outcomes of anti-corruption policies in Georgia, Armenia, and the *de facto* republic of Nagorno-Karabakh. In particular, I ask how Georgia could rapidly implement successful police reforms, while Armenia completely failed to do so and Nagorno-Karabakh has partially achieved success.

Georgia is in the forefront of reforms not only in the South Caucasus but throughout the CIS, yielding major reductions in corruption throughout its state institutions and especially among the *siloviki* (power structures, like law enforcement and the courts). Armenia, on the other hand, has evinced a complete failure in its efforts to fight police corruption. Between them, Nagorno-Karabakh has seen some recent success in reducing corruption, particularly in the sphere of highway police reform.

What accounts for these differences? In Georgia, there is a clear separation of economic and political power. The Georgian government since the 2003 Rose Revolution has been fighting corruption because it doesn't depend on it. Corruption and bribery, while widespread, had not thoroughly permeated the upper levels of state institutions prior to the Rose Revolution. Subsequently, President Mikheil Saakashvili brought into power a young and enthusiastic cadre determined to modernize Georgia's political-economic system, including the stamping out of corruption. By contrast, Armenia's government is reliant on many forms of corruption; its economic and political elites are not separated, which creates major obstacles to reducing corruption. Finally, in Nagorno-Karabakh, economic and political elites are also not separate, but extreme threats to survival have created incentives to reduce corruption.

## **Georgia**

Under Georgia's former president, Eduard Shevardnadze, a tight nexus existed between the police, state institutions, business, politics, and organized crime. When the USSR

collapsed, Georgia had a population of approximately 5.5 million people. There were about 25,000 personnel in the MVD and 1,000 in the KGB—a ratio of one law enforcement official per some 200 citizens. Georgia thus remained a heavily policed society. Despite reforms in other parts of the government, the MVD maintained a dysfunctional structure with 28 departments. Just before the Rose Revolution, additional security departments were created and MVD personnel more than doubled (56,000) while the population had decreased by nearly 1 million, creating a worse police-citizen ratio, less than 1:80. Given the low salaries of law enforcement personnel (\$40-50 per month on average), preventing police corruption was almost impossible.

How was it possible for Georgia to quickly transition from a state of crime bosses (in Soviet parlance, “thieves in law”) to a state of law-abiding citizens? Georgia’s political landscape changed substantially after the Rose Revolution of November 2003. Widespread dissatisfaction with the undemocratic and corrupt post-Soviet regime led to the 2004 election of Mikheil Saakashvili, whose government immediately targeted the corrupt police apparatus, which many Georgians saw as the epitome of a failed state. By the end of 2006, the Saakashvili administration abolished the KGB-style Ministry of Internal Affairs (MVD) and its related police units, dismissed every member of the country’s uniformed police, and created a new police force from scratch. By November 2009, it was clear that the reformers’ strategy was to capitalize on public support, think boldly, act quickly, and fix mistakes as they arose. All this produced significant progress.

Georgia’s reforms have been widespread and involved:

- Restructuring the police, dismissing corrupt officers, improving salaries and training.
- Reducing taxes and fees associated with business registration (a gateway for corruption).
- Privatizing major government assets (such as railways and mines).
- Encouraging foreign direct investment.

The main police academy has been one major focal point of reform. Before the Rose Revolution, the academy was widely believed to be one of the most corrupt structures in the MVD. Admissions and examination processes were completely devoid of integrity. Prospective students had to pay between \$4,000-6,000 to be admitted. Much of the money flowed to the top administrators and entrance examiners. The illicit sums paid were estimated to be approximately \$500,000 a year.

The result? A drastic improvement in Georgia’s ranking in corruption by Transparency International. The World Bank’s Freedom of Business ranking raised Georgia from 100 in 2006 to 12 in 2011, higher than Finland, Sweden, or Japan. Russia, in the same period, fell from 70 to 120. Still, monitoring organizations have also noticed lingering abuses of the legal system. For example, minor thefts and petty bribes have landed some with long prison sentences.

### *International Assistance*

There are a number of international organizations and foreign embassies in Georgia that are active in providing reform assistance to Georgian law enforcement agencies. Local recommendations are in line with efforts of international bodies such as the Organization for Security and Co-operation in Europe (OSCE)'s Police Assistance Program for the Georgian Police; the U.S. Department of Justice's International Criminal Investigative Training Assistance Program (ICITAP); the United Nations Observer Mission in Georgia (UNOMIG) international civilian police contingent; the EU's Rule-of-Law Mission in Georgia (EUJUST Themis); the Police and Human Rights Program of the Council of Europe (COE); the International Organization for Migration (IOM); and the U.S., German, and French Embassies.

### *Cultural and Ethnic Stereotypes*

It is difficult to overestimate the significance of Georgia's success for other post-Soviet states. There was once a general discourse on the alleged cultural idiosyncrasies of the South Caucasus, including, as Georgian scholar Georgi Glonti pointed out, that they "automatically oppose the law, whatever form it takes." Saakashvili proved this wrong. National identities and political cultures are not set in stone. His boldness as a reformer did more than change the social order in Georgia. He broke the stereotype that corruption is "naturally" embedded in one's political and societal culture, in Georgia's case of an honor-and-shame society.

### **Armenia**

Post-Soviet Armenia has seen military conflict, blockades, and the de-modernization of its economy. Armenia's economic crisis caused unprecedented labor migration, making the Armenian economy highly dependent on money transferred from abroad (particularly from Russia and the Armenian diaspora). In 2011, *Forbes* magazine depicted Armenia as "the second worst economy in the world after Madagascar."

The diaspora is a peculiar feature in the development of Armenia. Corruption has highly disappointed even devoted donors and led to serious friction between the Armenian leadership and the diaspora.

Armenia's police system is penetrated by corruption and nepotism, which is tolerated by the government because the security organs are helpful in its struggle with the state's political opposition. The heads of households and small and medium-sized enterprises consider the police and the general prosecutor's office as the most corrupt of state institutions.

Corrupt police officers are occasionally apprehended, as was the case with a woman who was selling driving licenses for 200,000 drams for several years. After an investigation, she was forced to pay the money back. A number of other scandalous corruption cases have been brought to court, and some bureaucrats with criminal connections have been sentenced to prison.

Nonetheless, the Armenian government is moving toward authoritarian consolidation, and the elite continue to prioritize the status quo of partial reforms over

tangible political transition. Most reforms are illusory and of the “box-ticking” type. Corruption has become socially acceptable and institutionalized. In the context of poverty (and, relatedly, the increasing influence of a patriarchal ideology), the state has shifted certain material responsibilities to the community. Ordinary people are expected to financially support the police. This expectation has turned into a certain kind of moral economy, by which individuals voluntarily pay bribes out of a sense of social solidarity and altruism. The failure to pay bribes is thus turned into a source of shame, and police officers readily employ normative rhetoric to extract payment.

### **Nagorno-Karabakh**

The situation in Nagorno-Karabakh is somewhat different from Armenia, since it is constantly preparing for a new conflict with Azerbaijan. The *de facto* republic’s president, Bako Sahakyan, closely followed Georgia’s reforms upon his initial election in 2007. He implemented a reform of the local highway patrol in 2008 and generally reorganized the police force. An element within this program was increasing traffic fines, which have helped to cover the budget deficit and enabled local authorities to pay higher wages to judges and policemen (a judge’s wage today is about \$800 and a police officer’s wage is about \$400). Sahakyan’s reforms have considerably reduced corruption in the police but not all drivers are satisfied. Their small road bribes were easier to pay than the new fines. According to a local taxi driver :

*“Until three years ago, the police would actually ask you for a bribe. Now, they not only don’t ask, but even if you beg them to accept a bribe, they refuse....It was better before, when you could solve any problem for 500-1,000 drams. These days, they write you a ticket for the smallest infraction. And the fine is never less than 3,000 drams. For the first drunk driving offense, the fine is 50,000 drams; for a second offense, they take away your license.”*

The paradox is that Nagorno-Karabakh is an impoverished dependency of Armenia and yet shows an eagerness for reforms. Why? The fear of war, general instability, and its unrecognized status have led to a desire among Karabakh Armenians to improve the image of Nagorno-Karabakh and to convince the West that it can be a viable state.

### **Conclusion**

Soviet legacies linger in different ways. In Georgia, as political scientist Christoph Stefes has argued, there was a transition to decentralized corruption while in Armenia it remained centralized. Political life in Georgia was freer from economic pressure (allowing the emergence of an opposition) and it was oriented toward the West. In Armenia, where political and economic spheres are not separated, political pluralism is near impossible. This is not helped by the rather high degree of consensus between autocratic elites and some putative opposition leaders whose economic interest in monopolizing large domains of the national economy largely coincide with the interests

of the state. Lastly, Armenia is blocked from international cooperation and investments by its unresolved conflict with Azerbaijan, so trade and development are stunted and corruption proliferates. The ravaged *de facto* republic of Nagorno-Karabakh, surprisingly, has had more success fighting police corruption than Armenia; its precarious political situation has made anti-corruption measures strategically important.

---

Elliott School of  
International Affairs

THE GEORGE WASHINGTON UNIVERSITY

PONARS ● NEW APPROACHES  
E U R A S I A ● TO RESEARCH AND  
● SECURITY IN EURASIA

© PONARS Eurasia 2012. PONARS Eurasia is an international network of academics that advances new policy approaches to research and security in Russia and Eurasia. PONARS Eurasia is based at the Institute for European, Russian and Eurasian Studies (IERES) at George Washington University's Elliott School of International Affairs. The publication was made possible by grants from Carnegie Corporation of New York and the John D. and Catherine T. MacArthur Foundation. [www.ponarseurasia.org](http://www.ponarseurasia.org)