

## **Corruption and Democracy The “Color Revolutions” in Georgia and Ukraine**

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### **Abstract**

The “Color Revolutions” in Georgia (2003) and Ukraine (2004) used extra-parliamentary means to challenge the results of fraudulent elections and to bring about the end of semi-authoritarian rule in the two countries. Corruption played an important role in prompting these events and became one of the major grievances of the forces of change in the two countries. Currently, although various problems of democratic governance remain in both countries, no return to the times of Shevardnadze and Kuchma is possible. However, according to the Freedom House/Nations in Transit (NiT) reports, corruption continues to be rampant in Ukraine, while it appears to be tamed in Georgia. These developments present some interesting puzzles about the links between corruption and democratization and democracy and corruption. The purpose of this essay is two-fold. First, it analyzes the role of corruption and other rent-seeking behavior for the fall of the Shevardnadze and Kuchma regimes in 2003 and 2004, respectively. Second, it examines the trends in corruption in Georgia and Ukraine since then, and seeks an explanation for these differential outcomes in the nature of party development and party competition in the two countries.

**Key words:** “Color revolutions,” corruption, democratization, Georgia, Ukraine.

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The “Color Revolutions” in Georgia (2003) and Ukraine (2004) used extra-parliamentary means to challenge the results of fraudulent elections and to bring about the end of semi-authoritarian rule in the two countries. Through what came to be known as the “Rose” and “Orange” Revolutions, the regimes of Eduard Shevardnadze and Leonid Kuchma came to an end and opened the door for democratic development. Corruption played an important role in prompting these events and became one of the major grievances of the forces

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of change in the two countries. In many ways, for the Ukrainian and Georgian people, democracy meant the absence (or at least limitation) of corruption.

In the years following the Color Revolution, things changed for the better in both Georgia and Ukraine. Although various problems of democratic governance remain, no return to the times of Shevardnadze and Kuchma is possible. However, according to the Freedom House/Nations in Transit (NiT) reports, corruption continues to be rampant in Ukraine, while it appears to be tamed in Georgia. At the same time, the 2008 overall democracy rankings of Georgia have improved very slightly, while those of Ukraine have shown more substantial progress. These developments present some interesting puzzles about the links between corruption and democratization and democracy and corruption.

The purpose of this essay is two-fold. First, it analyzes the role of corruption and other rent-seeking behavior for the fall of the Shevardnadze and Kuchma regimes in 2003 and 2004, respectively. Second, it examines the trends in corruption in Georgia and Ukraine since then, and seeks an explanation for these differential outcomes in the nature of party development and party competition in the two countries. The essay is structured as follows: The first section briefly reviews the events known as “Color Revolutions” in the two countries. The following section outlines the role political corruption played in prompting these events and its place in the demands of the prodemocracy forces. The third section examines the trends in the level of the corruption since and looks for an explanation of the different outcomes.

## **The “Color Revolutions”**

The “Color Revolutions” refer to what have also been called “electoral revolutions,” or the final stage of democratic transformation in the post-communist world. While democracy took root quickly in most of the countries of Central and Eastern Europe, the countries where nation-state building and democratic consolidation happened simultaneously, had a more difficult task. As a result, countries such as Slovakia, Croatia, Serbia, Georgia, and Ukraine are often seen as having gone down the path of interrupted transition. This included the beginning of democratization after the collapse of communism and the USSR in 1989-1991, its interruption due to various problems of statehood, and its final completion in the late 1990s and early 2000s.<sup>1</sup>

In Georgia, this final transition took place in late 2003, when the democratic opposition took to the streets to protest fraudulent parliamentary elections. The events saw the end of the decade-long presidency of Eduard

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<sup>1</sup> Taras Kuzio, “Comparative Perspectives on the Fourth Wave of Democracy,” in *Reclaiming Democracy*, ed. Joerg Forbrig and Pavol Demes (Washington, DC, and Bratislava: German Marshall Fund of the United States, 2007), 217-218.

Shevardnadze, which has been described as “semi-autocratic”<sup>2</sup> and “competitive authoritarian.”<sup>3</sup> These characterizations speak to the fact that, despite the high levels of political control held by the president, the media was relatively free, the civil society vibrant, and political competition existed. In fact, for most of the 1990s, Freedom House characterized Georgia as an “electoral democracy,” albeit with strong negative trends such as an “ineffective and corrupt” executive, “increasingly rigged” elections, an “over-centralized political system,” and “almost no democratic institutions on the subnational level.”<sup>4</sup> Electoral fraud became the trigger for the “Rose Revolution.” The elections held on November 2, 2003, were “marked by rampant ballot stuffing, multiple voting, late poll openings, ballots not being delivered to some polling places, and voter lists that included dead people but excluded thousands of live people.”<sup>5</sup> Counting the votes entailed further fraud, while the region of Ajara became the regional hotbed of electoral deceit. The extent and openness of the electoral fraud were seen as a desperate effort by Shevardnadze to hold on to power and galvanized the already brewing popular discontent.<sup>6</sup> Organized by two of the parties in opposition to Shevardnadze and the student movement Kmara, people took to the streets.<sup>7</sup> Despite their low numbers—reports provide an estimate of about five thousand people on a daily basis being involved—the demonstrations continued throughout the month of November, expressing the participants’ dissatisfaction with the government and, ultimately, demanding the resignation of Shevardnadze.<sup>8</sup> On November 22, following an altercation in Parliament, Shevardnadze was abandoned by most of his allies, and soon afterward resigned. This opened the scene for new parliamentary and presidential elections in early 2004, and has been seen as the mark of final transition to democracy in Georgia.

Similarly, in Ukraine, President Kuchma came to power in competitive elections in 1994, but by the late 1990s, he had built what has been described as a “managed democracy,”<sup>9</sup> or a “hybrid regime.”<sup>10</sup> While democratic

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<sup>2</sup> Michael McFaul, “Transitions from Post-Communism,” *Journal of Democracy* 16, no. 3 (2005): 7.

<sup>3</sup> Kuzio, “Comparative Perspectives on the Fourth Wave of Democracy,” 218.

<sup>4</sup> Ghia Nodia, “Georgia,” in *Nations in Transit 2005* (Washington, DC: Freedom House, 2005), <http://www.freedomhouse.org/pdfdocs/georgia2005.pdf> (accessed December 18, 2008), 1-2.

<sup>5</sup> Lincoln Mitchell, “Georgia’s Rose Revolution,” *Current History* (October 2004): 343.

<sup>6</sup> Charles H. Fairbanks, Jr., “Georgia’s Rose Revolution,” *Journal of Democracy* 15, no. 2 (2004): 116.

<sup>7</sup> Giorgi Kandelaki, “Georgia’s Rose Revolution,” *USIP Special Report*, July 2006, <http://www.usip.org/pubs/specialreports/sr167.html> (accessed December 18, 2008).

<sup>8</sup> Mitchell, “Georgia’s Rose Revolution,” 345.

<sup>9</sup> McFaul, “Transitions from Post-Communism,” 9.

<sup>10</sup> Oleksandr Sushko, “Ukraine,” in *Nations in Transit 2005* (Washington, DC: Freedom House), <http://www.freedomhouse.org/template.cfm?page=47&nit=378&year=2005> (accessed December 18, 2008), 1.

institutions were in place and political competition existed, President Kuchma maintained informal political control of most political institutions and “progress in political and business affairs became possible only with the blessing of the executive.”<sup>11</sup> Electoral irregularities, restrictions on political rights and freedoms, an inefficient judiciary, and a corrupt executive contributed to a partially free political system. Despite this, the media remained partly free and mass political mobilization was possible.<sup>12</sup> Just as in Georgia, electoral fraud was the immediate cause of the “Orange Revolution.” Almost precisely a year after the protests in Tbilisi, evidence of “massive electoral fraud” mounted in Ukraine, following the presidential elections. The opposition to Kuchma organized massive political demonstrations calling for a free and fair final round of elections.<sup>13</sup> The protests there were substantially bigger than in Tbilisi, and ultimately proved a convincing enough threat so that the Supreme Court annulled the second round of elections and a new round was scheduled for December 2004. Won by opposition leader Viktor Yushchenko, this event is considered the final step toward democracy in Ukraine.

While the immediate trigger of both revolutions was electoral fraud, the underlying causes of these prodemocracy openings were much more diverse. Accounts of this “fourth wave” of democratization list numerous features of the Shevardnadze and Kuchma regimes and of their opposition that made the transitions possible. These include features of the domestic political regimes but also international factors, such as diffusion and direct aid from external organizations.

The possibility of the electoral revolutions to take place is often linked to the nature of the Shevardnadze and Kuchma regimes, which are characterized as “*semi*-autocratic.”<sup>14</sup> As elections and formal democratic institutions continued to function, even when individual rights were violated, the regimes tolerated challengers, including democratic opposition in parliament. Both countries enjoyed relatively free media, while civil associations and international organizations could function with no major problems, allowing the public discontent to be mobilized and organized in the early 2000s.<sup>15</sup> In addition, the incumbents themselves were highly unpopular as political figures, while the opposition was united enough and capable of mobilizing the masses in order to

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<sup>11</sup> Taras Kuzio, “The 2002 Parliamentary Elections in Ukraine: Democratization or Authoritarianism,” *Journal of Communist Studies and Transition Politics* 19, no.2 (June 2003): 28-29.

<sup>12</sup> McFaul, “Transitions from Post-Communism,” 13-14.

<sup>13</sup> Serhiy Kudelia, “Revolutionary Bargain: The Unmaking of Ukraine’s Autocracy through Pacting,” *Journal of Communist Studies and Transition Politics* 23, no.1 (March 2007): 92-94.

<sup>14</sup> McFaul, “Transitions from Post-Communism,” 7.

<sup>15</sup> McFaul, “Transitions from Post-Communism,” 5-19, and Kuzio, “Comparative Perspectives on the Fourth Wave of Democracy,” 218-219.

benefit from the popular dissatisfaction with the countries' leaders.<sup>16</sup>

Most prominent among the external factors that contributed to the Color Revolutions is the “diffusion” effect. As Bunce and Wolchik have argued, the Color Revolutions took place partially because actors in Georgia and Ukraine “modeled [their] campaign on the previous electoral revolution in the region.”<sup>17</sup> The “Rose” and “Orange” were thus two occurrences in a series of revolutions that started in Serbia in 1996 and traveled to Bulgaria (1997), Romania (1997), and Slovakia (1998). According to the diffusion model explanation, the electoral revolution model—an event when electoral fraud/dissatisfaction is used to mobilize the society to demand a major change in the political leadership—was developed over the course of these four cases and then made available for export.<sup>18</sup> The critics of this explanation of the Orange and Rose Revolutions naturally point to the long-standing problem that Shevardnadze and Kuchma had in securing political support and the predictability of their demise, and argue that events were much more endogenously determined than the diffusion theory suggests.<sup>19</sup>

### **Corruption under Shevardnadze and Kuchma**

A feature that can be further discerned as contributing to several of these underlying factors was the practice of various forms of rent-seeking behavior by the ruling elite in both states. These included the practice of overt corruption, or the abuse of public office for private financial gain; clientelism, or the exchange of a wide variety of benefits for electoral support; and patronage, or the discretionary allocation of state positions to supporters and friends. These practices contributed significantly to the popular dissatisfaction with the regimes and the mobilization of opposition groups. The general context of criminality that resulted from them encouraged international concern and condemnation of the governments of Shevardnadze and Kuchma. At the same time, the rent-seeking practices constituted the links between the executives and their supporters, taking the place of ideology and organizational structure, thus ultimately leading to the easy dismantling of the regimes.

The three phenomena have features that make them clearly distinct from each other, but they are also often empirically interconnected. Access to the state resources is achieved through patronage; having loyal people in positions of authority, in turn, allows for the incumbent to control and benefit from the

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<sup>16</sup> McFaul, “Transitions from Post-Communism,” 8, and Kuzio, “Comparative Perspectives on the Fourth Wave of Democracy,” 223-226.

<sup>17</sup> Valerie J. Bunce and Sharon L. Wolchik, “International Diffusion and Post-Communist Electoral Revolutions,” *Communist and Post-Communist Studies* 39 (2006): 292.

<sup>18</sup> *Ibid.*, 291.

<sup>19</sup> Lucan Way, “The Real Causes of the Color Revolutions,” *Journal of Democracy* 19, no. 3 (2008): 57-58.

illegal exchange of public decisions for money and electoral support.<sup>20</sup> While not all patronage appointment and clientelistic exchanges are corrupt by definition, due to the general problematic nature as well as the interconnectedness of the phenomena, they are often discussed as examples of “corruption.” This was clearly the case in Georgia and Ukraine, where corruption, clientelism, and patronage were closely entangled.

As corruption scores and more in-depth reports indicate, corruption in various shapes and forms characterized the regimes of Eduard Shevardnadze and Leonid Kuchma. Transparency International (TI), Freedom House/Nations in Transit, and World Bank (WB) indicators of corruption in Georgia and Ukraine are presented in table 1.

By 2003, corruption in Georgia had reached such levels that it was a “major obstacle to political and economic development.”<sup>21</sup> In 2003, Transparency International ranked Georgia 124<sup>th</sup> (out of 133) most corrupt countries in the world; Nations in Transit gave it a score of 5.75 (out of 7) for the level of corruption. Similarly, the World Bank gave it a score of -.93 (with -2.5 being the most corrupt), which put it into the lowest quartile of the ranking of corrupt countries. Within the country itself, corruption was perceived as the third most important problem after poverty and unemployment, while an overwhelming majority of the population (89 percent) thought that almost all, or all, Georgian public officials were influenced by corruption in their work.<sup>22</sup>

These perceptions reflected a situation in which the state of Georgia was clearly losing capacity because of the informal exchanges between the business and the public spheres. Most of the public sector was being driven by bribery and personal connections rather than by proper public service rules. These informal exchanges “cut across ethnic groups” and extended to public spheres such as the police, taxation, customs, education, healthcare, and water and electricity services.<sup>23</sup> The province of Adjara was the worst example of the intertwining phenomena of patronage, clientelism, and corruption. There, most high-ranking officials were relatives of the province’s leader, Aslan Abasidze, while “much of the regional economy [was] under the direct control of the Abashidze clan.”<sup>24</sup> As a consequence of the clan’s grip on power, the province

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<sup>20</sup> Petr Kopecký, Gerardo Scherlis, and Maria Spirova, “Conceptualizing and Measuring Party Patronage,” Working Paper 25, Series of the Committee on Concepts and Methods, IPSA, September 2008, 3-5.

<sup>21</sup> Ghia Nodia, “Georgia,” in *Nations in Transit 2003* (Washington, DC: Freedom House, 2003), <http://www.freedomhouse.hu/pdfdocs/georgia2003.pdf> (accessed December 18, 2008), 18.

<sup>22</sup> Ibid., and Georgian Opinion Research Business International (GORBI), “‘Georgian Citizens’ Awareness of Their Rights and Obligations,” Opinion Poll, 2007, [http://www.gorbi.com/store/en/20070227\\_151238.PDF](http://www.gorbi.com/store/en/20070227_151238.PDF) (accessed December 18, 2008).

<sup>23</sup> Martina Huber, *State Building in Georgia: Unfinished and at Risk?* (The Hague: Netherlands Institute of International Relations Clingendael, 2004), 31.

<sup>24</sup> Nodia, “Georgia,” 2003, 19.

Table 1. CPI Scores and Rankings and Nations in Transit Scores for Corruption and Democracy for Georgia and Ukraine, 2003-2008

Country		2003	2004	2005	2006	2007	2008
Georgia	CPI	1.80 (124 <sup>th</sup> )	2.00 (133 <sup>rd</sup> )	2.30 (130 <sup>th</sup> )	2.80 (99 <sup>th</sup> )	3.40 (79 <sup>th</sup> )	3.90 (67 <sup>th</sup> )
	NiT Corruption Score	5.75	6.0	5.75	5.50	5.00	5.00
	NiT Democracy Score	4.83	4.83	4.96	4.86	4.68	4.79
	WB Good Governance Indicator of Control of Corruption	-0.93	-0.63	-0.43	-0.26	-0.38	N/A
Ukraine	CPI	2.30 (106 <sup>th</sup> )	2.02 (122 <sup>nd</sup> )	2.60 (107 <sup>th</sup> )	2.80 (99 <sup>th</sup> )	2.70 (118 <sup>th</sup> )	2.50 (138 <sup>th</sup> )
	NiT Corruption Score	5.75	5.75	5.75	5.75	5.75	5.75
	NiT Democracy Score	4.71	4.88	4.50	4.21	4.25	4.25
	WB Good Governance Indicator of Control of Corruption	-0.90	-0.90	-0.59	-0.65	-0.73	N/A
Average for the non-Baltic FSU states	NiT Corruption Score	5.96	6.04	6.06	6.13	6.08	6.10
	NiT Democracy Score	5.57	5.66	5.74	5.78	5.79	5.84
	WB Good Governance Indicator of Control of Corruption	N/A	N/A	N/A	N/A	-0.86	N/A

Sources: Transparency International, *TI Corruption Perceptions Index*, [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi) (accessed December 18, 2008); Freedom House, *Nations in Transit*, <http://www.freedomhouse.org/template.cfm?page=17&year=2008> (accessed December 18, 2008); and World Bank, *Governance Matters: Worldwide Governance Indicators, 1996-2007*, <http://info.worldbank.org/governance/wgi/index.asp> (accessed December 18, 2008).

refused to pay its share of the state tax revenues in 2001-2002, contributing to the already existing budget crisis in Georgia and the perception that corruption was a big contributor to this crisis.<sup>25</sup>

This corrupt system was made possible by a broad network of patron-client relationships whose focal point was, naturally, the presidency. Many top civil service appointments were distributed to Shevardnadze cronies, while the bulk of the state administration was filled by family and friends of the senior officials.<sup>26</sup> Despite the various problems that corruption raised in the state of

<sup>25</sup> Julie George, "Minority Political Inclusion in Mikheil Saakashvili's Georgia," *Europe-Asia Studies* 60, no. 7 (2008): 1157.

<sup>26</sup> Ibid., 1155, and Vladimer Papava, "The Political Economy of Georgia's Rose Revolution," *Orbis: A Journal of World Affairs* 50, no. 4 (Fall 2006): 659.

Georgia, such as its failure to provide security, representation, and basic welfare service to its people, the maintenance of the patron-client relationships also led to the emergence of strong family clans in the country and its regions.<sup>27</sup> As Shevardnadze maintained the balance among these groups, it was this system of networks rather than a well-organized party of power that kept him in office. In fact, Shevardnadze did create a party of power—the Citizens Union of Georgia (CUG)—in the mid-1990s, which “lacked any obvious ideology and was in large measure a patronage machine for Shevardnadze loyalists.”<sup>28</sup> As a result, his support in the country depended largely on the continuation of these practices and made, Way has argued, the regime particularly susceptible to challengers.<sup>29</sup>

The disregard for corruption and the state failures also contributed to the emerging challenges to the regime. It became a central issue for the critics of the Shevardnadze regime; this was manifested by the centrality of the issue for the political struggles during the 2002 local elections as well as by the importance given to the issue by the Georgian antiregime media and civil society organizations.<sup>30</sup> As popular dissatisfaction with these practices continued, the opposition, represented by Mikheil Saakashvili’s National Movement, made anticorruption a major issue in its popular appeal, and, arguably, was able to attract much support with its promise to end the practices of corruption, patronage, and clientelism.<sup>31</sup>

In Ukraine, the role played by corruption in both weakening Kuchma’s regime and encouraging dissent was similar. By the early twenty-first century, corruption in Ukraine was widespread, despite numerous anticorruption initiatives formally accepted by the government.<sup>32</sup> In 2003, Transparency International ranked Ukraine 106<sup>th</sup> (out of 133 countries) in the world, indicating high levels of corruption, while Nations in Transit gave corruption in the country a score of 5.75 (out of 7 possible). The World Bank Good Governance project scored Ukraine among the lowest quartile in the ranking of corrupt countries and gave it a score of -.90, barely better than Georgia’s (scores are reported in table 1).

Petty corruption permeated society, encouraging a culture of bribery and

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<sup>27</sup> Huber, *State Building in Georgia: Unfinished and at Risk?* 33.

<sup>28</sup> Way, “The Real Causes of the Color Revolutions,” 63.

<sup>29</sup> *Ibid.*, 62-63. This empirical argument is in line with some more theoretical arguments about the impact of patronage and clientelism on parties’ and politicians’ long-term support. See Carolyn Warner, “Political Parties and the Opportunity Costs of Patronage,” *Party Politics* 3, no.4 (1997): 533-548.

<sup>30</sup> Nodia, “Georgia,” 2003, 19.

<sup>31</sup> Huber, *State Building in Georgia: Unfinished and at Risk?* 31.

<sup>32</sup> Olexiy Haran and Rostyslav Pavlenko, “Ukraine,” in *Nations in Transit* (Washington, DC: Freedom House, 2004), <http://www.freedomhouse.org/template.cfm?page=47&nit=347&year=2004> (accessed December 18, 2008), 18.

connections as the mechanisms for getting things done. Equally important were the links between the business and political spheres. While government officials were prohibited from engaging in business activities, since, according to the Law on Entrepreneurship, the ownership of company shares was not a business activity, “many officials [held] large stakes in enterprises or place[d] their relatives and friends in key managerial positions.”<sup>33</sup> The marriage between the “oligarchs” and the Kuchma regime maintained a system in which political power ensured economic advancement and vice versa. A study of the informal practices of the Kuchma administration reveals widespread practices of stealing from state enterprises and laundering money through private businesses owned by state officials, a system that was ensured through surveillance and blackmail and accompanied by manipulation of elections (with the help of those benefiting from the practices and in support of the regime).<sup>34</sup> Thus, similar to the case of Shevardnadze’s regime, the support base of President Kuchma was built on practices such as overt corruption, clientelism, and patronage, rather than on a solid political base.<sup>35</sup>

The effect of this was two-fold. On the one hand, it made President Kuchma rely on the political support of a regime base sustained by short-term, patronage-driven benefits, which is arguably much easier to destabilize than an autocrat who can rely on an ideologically loyal and organizationally supported base.<sup>36</sup> In addition, it also created what Way has characterized as “rapacious individualism,” which allowed the emergence of competitors for Kuchma from within his own supporters.<sup>37</sup> Finally, the revelations of corruption and political violence (such as “Kuchmagate”) decreased public support for Kuchma and increased the popularity of the opposition leaders, Viktor Yushchenko and Yulia Tymoshenko. They mobilized people on the issue of fighting the corrupt practices of the regime, despite the fact that they both had emerged from within the same clientelistic networks.

Overall, the regimes of Shevardnadze and Kuchma came to be seen as undemocratic, partly because of the high level of corrupt practices allowed, tolerated, and even encouraged by the regimes. As a consequence, the elimination of corruption came to be one of the major expectations from democracy, making the absence of corruption germane to the definition of democracy. Such an understanding of political corruption is not the dominant one in either the academic literature or the policy world. Corruption is usually

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<sup>33</sup> Ibid.

<sup>34</sup> Keith Darden, “The Integrity of Corrupt States: Graft as an Informal State Institution,” *Politics & Society* 36, no. 1 (2008): 35-60.

<sup>35</sup> Lucan Way, “Rapacious Individualism and Political Competition in Ukraine, 1992-2004,” *Communist and Post-Communist Studies* 38 (2005): 194-196.

<sup>36</sup> Way, “The Real Causes of the Color Revolutions,” 62.

<sup>37</sup> Way, “Rapacious Individualism and Political Competition in Ukraine, 1992-2004,” 199-200.

defined in more functionalist terms as abuse of public office for private gain,<sup>38</sup> and only a few authors see the very nature of corruption as a violation of the democratic principles themselves.<sup>39</sup> In fact, della Porta and Vannuci have argued, the “inverse correlation between corruption and economic and political development (and therefore democratic maturity) has been frequently and convincingly challenged by practice.”<sup>40</sup> Countries that are otherwise considered stable democracies, such as the United States, France, and Belgium, have experienced major corruption scandals, while some partial democracies, such as Singapore and Hong Kong, are reportedly among the least corrupted countries in the world.<sup>41</sup> In Ukraine and Georgia, the expectations of democracy for fighting corruption were set high, but curbing the various corrupt practices did not prove an easy task for the new leaders and their governments.

## Corruption since the “Color Revolutions”

### *Trends in the Level of Corruption*

The development of democracy in Georgia and Ukraine since the “Rose” and “Orange” Revolutions has been a mixed bag. While experts agree that by 2008 democracy is in a better state than five years ago in both countries, grave problems of democratic governance remain. Fairbanks has argued that, in both countries, there is “a sense...that they can never go back,” but an “authoritarian temptation” remains in Georgia, while the return of the old elites to power in Ukraine is proving a problem.<sup>42</sup> The Nations in Transit analyses of democracy in the two countries also report moderate improvements in the overall scores of democracy (see table 1). Taking the years of revolution as the base year, the score of democracy in Georgia has improved slightly from 4.83 to 4.79, while that in Ukraine has witnessed a more substantial improvement from 4.88 to 4.25; but both countries continue to be “partly free,” just as they were judged in the late 1990s.<sup>43</sup>

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<sup>38</sup> A.J. Heidenheimer and M. Johnston, eds., *Political Corruption: Concepts and Contexts* (New Brunswick, NJ: Transaction Publishers, 2002), 3-6.

<sup>39</sup> Mark E. Warren, “What Does Corruption Mean in a Democracy?” *American Journal of Political Science* 48, no. 2 (April 2004): 328-343.

<sup>40</sup> Donatella della Porta and Alberto Vannuci, *Corrupt Exchanges: Actors, Resources and Mechanisms of Political Corruption* (New York: Aldine de Gruyter), 5.

<sup>41</sup> Transparency International, *TI Corruption Perceptions Index 2008*, [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi) (accessed December 18, 2008).

<sup>42</sup> Charles H. Fairbanks, “Revolution Reconsidered,” *Journal of Democracy* 18, no. 1 (January 2007): 56.

<sup>43</sup> Ghia Nodia, “Georgia,” in *Nations in Transit 2008* (Washington, DC: Freedom House, 2008), [http://www.freedomhouse.hu/images/fdh\\_galleries/NIT2008/NT-Georgia-final.pdf](http://www.freedomhouse.hu/images/fdh_galleries/NIT2008/NT-Georgia-final.pdf) (accessed December 18, 2008), 1, and Oleksandr Sushko and Olena Prystayko, “Ukraine,” in *Nations in Transit 2008* (Washington, DC: Freedom House, 2008) [http://www.freedomhouse.hu/images/fdh\\_galleries/NIT2008/NT-Ukraine-final.pdf](http://www.freedomhouse.hu/images/fdh_galleries/NIT2008/NT-Ukraine-final.pdf) (accessed December 18, 2008), 1.

However, these general scores reflect different trends in the separate elements of democratic governance that the Nations in Transit reports consider.<sup>44</sup> The electoral process and the position of civil society have improved in both countries, reflecting a generally free and fair electoral process in Ukraine and a more questionable, but still improved, process in Georgia. Media freedom has increased in Ukraine, but deteriorated in Georgia, while judicial independence has deteriorated in Georgia and remained largely unchanged in Ukraine.<sup>45</sup>

Similarly, efforts to curb corruption in the two countries have achieved very different results. The NiT scores for Georgia reflect the most substantial improvement in this area (of the seven components of democratic governance). At 5.00, the corruption score has gone down by a whole point since its highest value (2004), although it still reflects quite a high level of corruption in the country. In contrast, the Ukrainian score remains at 5.75, reflecting both a high level of corruption and no change.

The TI corruption scores since the Color Revolutions are also reported in table 1. The TI indicators reflect the same divergent trends. According to the Corruption Perception Index, Georgia has improved its corruption standing considerably—its score went from 1.8 to 3.9 between 2003 and 2008.<sup>46</sup> Its ranking has also improved drastically—from 124<sup>th</sup> in the world in 2003 to 67<sup>th</sup> in 2008—although these trends are not as easy to interpret since the number and nature of countries included in the rankings have changed over time. Ukraine has, in contrast, maintained a more stable score: it has improved slightly since 2004 (2.5 in 2008, compared to 2.2 in 2004), but its trend also reflects some temporary improvement following the 2004 revolution, although there has been deterioration since 2006. The World Bank Good Governance indicators, the most comprehensive of the indices, also report more substantial improvement in Georgia than in the Ukraine from 2003 to 2007. While the NiT and World Bank scores for both countries in 2007 are better than the averages for the former Soviet republics (excluding the Baltic states), Georgia is clearly in a better situation in this comparison as well.

All three indicators point to a very clear divergence in the anticorruption efforts and records of the post-revolution executives in Georgia and Ukraine: Georgia has managed to curb the most extensive forms of corruption, while in Ukraine next to nothing has been achieved on that front. Low-level corruption, such as that involving the police, the public registry, and higher education,

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<sup>44</sup> The overall democracy rankings are the averages of seven components: electoral process, civil society, independent media, national democratic governance, local democratic governance, judicial framework and independence, and corruption. For more details see [http://www.freedomhouse.hu/index.php?option=com\\_content&task=view&id=196](http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=196).

<sup>45</sup> Nodia, "Georgia," in *Nations in Transit 2008*, and Sushko and Prystayko, "Ukraine," 2008.

<sup>46</sup> The CPI scores vary from 0 to 10, with higher scores indicating less corruption and lower scores indicating more corruption. For more information, methodology, and results, see [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi).

has seen a “conspicuous decline” since 2004 in Georgia. This improvement is attributed to the dedication of the Saakashvili government to both institutional reforms and punitive measures: legislation has been adopted and implemented, supervisory bodies have been set up, and “myriad arrests of high ranking officials in both the previous government and the current administration” have been carried out.<sup>47</sup> High level corruption and political patronage, however, still continue to be present in the country. Allegations of nontransparent public procurement processes and executive involvement in personnel appointments in the judiciary are often made.<sup>48</sup> The stress on punitive rather than preventive anticorruption policies by the government is often criticized as well. Overall, however, the progress made in fighting corruption in Georgia has been substantial, and, in 2006, the percentage of people who considered corruption to be widespread among the top governmental officials had dropped from 89 percent to 58 percent, while the share of those who thought there was no corruption had increased from 5 percent to 35 percent.<sup>49</sup>

Ukraine, on the other hand, has seen little political will to fight corruption. While some anticorruption legislation has been adopted, little has been done to ensure its application in society. Low-level corruption continues to dominate everyday life, while grand corruption such as “kickbacks, nepotism, and clientelism” takes place in public procurement.<sup>50</sup> There seems to be little concern about the division of state power and business,<sup>51</sup> further contributing to the acceptance of corruption as a way of life at both the political and social levels.

### ***Like Roses and Oranges***

The impact of the democratic transition in the two countries on eliminating corruption, one of the major evils of the old regimes, has thus been quite contrasting and worth investigating. Institutional explanations of the extent of corrupt practices often include the nature of political party competition. Party competition provides a control mechanism that limits corruption in two major ways.<sup>52</sup> First, competition at election time draws attention to potential

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<sup>47</sup> Nodia, “Georgia,” in *Nations in Transit* 2008, 248-249.

<sup>48</sup> Business Anti-Corruption Portal (BAP), “Country Profile: Georgia” (Copenhagen: Global Advice Network, 2008), <http://www.business-anti-corruption.com/normal.asp?pageid=71> (accessed December 18, 2008).

<sup>49</sup> GORBI, “Georgina Citizens’ Awareness of Their Rights and Obligations,” Opinion Poll, 2007.

<sup>50</sup> Business Anti-Corruption Portal (BAP), “Country Profile: Ukraine” (Copenhagen: Global Advice Network), <http://www.business-anti-corruption.com/normal.asp?pageid=250> (accessed December 18, 2008).

<sup>51</sup> Sushko and Prystayko, “Ukraine,” 2008.

<sup>52</sup> Myriam Golden and E. Chang, “Competitive Corruption: Factional Conflict and Political Malfeasance in Post-War Italian Christian Democracy,” *World Politics* 53 (2001): 588-622, and Heidenheimer and Johnston, *Political Corruption: Concepts and Contexts*, 777-797.

corrupt practices and thus discourages politicians to engage in them, assuming, of course, that voters are aware of political corruption and are willing to punish politicians who engage in corruption, and also assuming that there are political parties that provide a viable alternative to the corrupt incumbents. Second, higher levels of competition will encourage political parties to “keep each other in check” during the inter-election period.<sup>53</sup> Georgia and Ukraine provide two good cases to investigate this relationship. In both countries, the assumption of the argument about party competition and corruption holds. As of 2003-2004, despite the widespread nature of corruption, the fight against it was a salient issue: voters were highly sensitive to the corruption issue due to its link with the democratization of the country. In addition, there were political alternatives to the parties engaged in corruption, as the opposition groups embraced the issue in its effort to dismantle the regime. Can, then, the differing trends in the levels of corruption be explained by the level of political competition in the two systems?

Election results for Georgia and Ukraine since the Color Revolutions are provided in table 2. The table lists the political parties and presidential candidates with more than 2 percent of the vote in parliamentary and presidential elections since 2003-2004 in both countries. The results illustrate that politics in Georgia have clearly been dominated by Mikheil Saakashvili and his United National Movement. The party has enjoyed a clear majority of the votes and seats in Parliament since 2004, while Saakashvili has been the winner of presidential elections by a wide margin. The dominance of Saakashvili and his party have been so strong, that the system has been characterized as a “dominant party system.”<sup>54</sup> In contrast, politics in Ukraine have seen a higher level of party competition, with elections being decided by very close margins and parties alternating in power. Elections in 2006, in fact, saw the return of the old forces, Yanukovich’s Party of Regions, to power, which was, however, relatively short-lived. The 2007 elections returned the Orange Revolution parties—Yushchenko’s Our Ukraine and the Block of Yulia Tymoshenko—back to power. Party competition is strong and power struggles continue to dominate politics.

Thus, the higher concern with corruption and the implementation of stronger and more consistent anticorruption policies in Georgia clearly cannot be attributed to higher levels of political competition. The absence of major political competitors (despite challenges of a different nature) has not eliminated Saakashvili’s drive toward the removal of various forms of corruption in numerous sectors of society. In fact, Saakashvili’s strong position

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<sup>53</sup> Heidenheimer and Johnston, *Political Corruption: Concepts and Contexts*, 777-797.

<sup>54</sup> Transparency International Georgia, *Political Parties in Georgia: Issues of Party Financing*, 2008, [http://www.transparency.ge/files/50600\\_314\\_682115\\_Political%20Parties%20in%20Georgia,%20Issue%20of%20Party%20Financing-E.pdf](http://www.transparency.ge/files/50600_314_682115_Political%20Parties%20in%20Georgia,%20Issue%20of%20Party%20Financing-E.pdf) (accessed December 18, 2008).

Table 2. Parliamentary and Presidential Elections Results in Georgia and Ukraine, 2005 and 2006 Elections

Georgia Parliamentary Elections	2004 Party	% of the Vote	2008 Party	% of the Vote
	National Movement—Democrats	67.0	United National Movement—for Victorious Georgia	59.18
	Rightist Opposition	7.6	Electoral Bloc The Joint Opposition (National Council, New Rights)	17.73
	Democratic Union for Revival	6.0	Giorgi Targamadze—Christian-Democrats	8.66
	Georgian Labor Party	5.8	Shalva Natelashvili—Labor Party	7.44
			Party of Republicans	3.78
Georgia Presidential Elections	2004	% of the Vote	2008	% of the Vote
	Mikheil Saakashvili	96.0	Mikheil Saakashvili	53.47
	Teimuraz Shashiashvili	1.9	Levan Gachechiladze	25.69
			Badri Patarkatsishvili	7.10
			Shalva Natelashvili	6.49
			Davit Gamkrelidze	4.02
Ukraine Parliamentary Elections	2006 Party	% of the Vote	2007 Party	% of the Vote
	Party of Regions	32.14	Party of Regions	34.37
	Bloc of Yulia Tymoshenko	22.29	Bloc of Yulia Tymoshenko	30.71
	Bloc “Our Ukraine”	13.95	Bloc “Our Ukraine”	14.15
	Socialist Party of Ukraine	5.69	Communist Party of Ukraine	5.39
	Communist Party of Ukraine	3.66	Lytvyn Blok	3.96
Ukraine Presidential Elections	2004			
	Viktor Yushchenko	39.90		
	Viktor Yanukovich	39.26		

Sources: Ukraine Central Election Commission, *Election Results*, <http://www.cvk.gov.ua/> (accessed December 18, 2008), and Georgia’s Central Election Commission, *Election Results*, <http://cec.gov.ge/?que=eng/elections-2008/home> (accessed December 18, 2008).

is what has probably allowed him to target “offending politicians, restructure the police forces (whose chief source of income had been bribes), and [seek] to control contraband material from crossing the country’s borders.”<sup>55</sup> While the effects of the anticorruption measures might have raised other issues, such as ethnic struggle, they have increased the capacity of the state.

In Ukraine, it appears that the opposite trend has been the case. Despite the salience of the corruption issue in 2004, the continued high levels of competition have not maintained that salience. Anticorruption reforms have been inconsistent, poorly designed, and never implemented. In fact, analysts have argued, it is precisely the power struggles that have placed anticorruption efforts on the back burner.<sup>56</sup> The developments in the two countries thus clearly contribute to arguments that question the straightforward link between party competition and corruption.<sup>57</sup> Corruption in Georgia has decreased despite very little political competition, while in Ukraine it has increased irrespective of high political competition. This points to the need to look beyond party competition as the democratic mechanism of limiting corruption.

### **Conclusion: Corruption, Democratization, and Democracy**

The experiences of Georgia and Ukraine demonstrate that the links between democracy and corruption are not as clear-cut as some have suggested. Arguably, corruption has contributed to the demise of the semi-authoritarian regimes in Georgia and Ukraine. As this essay has maintained, corrupt practices contributed to the growing popular dissatisfaction with the regimes, gave the opposition a strong cause against the incumbents, and at the same time built a regime support base on short-term particularistic benefits that was relatively easy to destabilize. Consequently, it can be argued that the corruption of the old regimes became their own grave-digger. However, democratic developments do not seem to have produced the expected elimination of corruption. The

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<sup>55</sup> George, “Minority Political Inclusion in Mikheil Saakashvili’s Georgia,” 1166.

<sup>56</sup> Sushko and Prystayko, “Ukraine,” 2008, 632.

<sup>57</sup> Some of the works making this argument include: Heidenheimer and Johnston, *Political Corruption: Concepts and Contexts*; Conor O’Dwyer, “Runaway State Building: How Political Parties Shape States in Post-Communist Eastern Europe,” *World Politics* 56 (2004): 520-553; id., *Runaway State-Building: Patronage Politics and Democratic Development* (Baltimore, MD: Johns Hopkins University Press, August 2006); Donatella della Porta, “Political Parties and Corruption: Ten Hypotheses on Five Vicious Circles,” *Crime, Law & Social Change* 42 (2004): 35-60; Carolien van Ham and Maria Spirova, “Cleaning-up Politics: Parties and Corruption in the ‘New’ Europe,” paper presented at the 2007 APSA Annual Meeting, Chicago, August 29-September 2, 2007; Petr Kopecky, “Does Electoral Competition Constrain Rent-Seeking within the State? Party Patronage in Ghana and South Africa,” paper presented at the 2008 APSA Annual Meeting, Hynes Convention Center, Boston, August 28, 2008; and A. Grzymala-Busse, “Political Competition and the Politicization of the State in East Central Europe,” *Comparative Political Studies* 36, no.10 (December 2003): 1123-1147.

experiences of the two countries in fighting corruption since the Rose and Orange Revolutions have been quite contrasting and cannot be attributed to the nature of political competition or to the nature of democracy.