Russia - South Ossetia: The Strengthening Cooperation

The fifth anniversary of the military conflict of 2008 in South Ossetia is marked by the strengthening bilateral relationships between Moscow and Tskhinvalia along with the reactivisation of the internal political life in the Republic. The reconstruction of the country's infrastructure and the recreation of certain spheres of the economy in South Ossetia could hardly be imagined without the investments provided by Russia and the prolonged period of the political stability in the Republic itself. The Russian investments in South Ossetia amounts to 34 billion rubles transferred in a five years period says the Russian Vice-Premier Alexander Khloponin. This year's volume of donations total is 3.4 billion rubles, along with 2 billions that were additionally invested in the development of the region. The prime target of these investments is the social sphere of the Republic, where a total of 10 thousand of workplaces was created due to the Russian money (which is 90% of all the working places created in the region). The head of the Russian Ministry Of Regional Development Igor Slunyaev says that this is not the end, in the near future a total of 6 thousand additional workplaces is going to be created in the real sector of the Ossetian economy, that should allow to take advantage of the mineral resources deposits, along with the enhancement of the building materials production, of the tourism capabilities, of agricultural industry development.

On July 19 in Moscow another meeting of the Russia- South Ossetia intergovernmental panel on the socio-economical development took place. “The all-round assistance provided by Moscow allows South Ossetia to look in the future without fears” - stated the Prime minister of South Ossetia R.Hurgaev in his speech given at the panel. Despite all this the effectiveness of Russian money expenditure was questioned numerous times during the five past years. There was a handful of scandals that revealed that the money were wasted thoughtlessly (or at times stolen), which resulted in a number of resignations and even legal prosecution cases. The findings of the Russian accounts chamber that leaked to the Internet don't give any excuses for optimism, since they revealed a number of violations that occurred during the reconstruction works in South Ossetia along with cash shortages. The only way of improving the situation are the means of “direct control”. “At the next panel we will create a list of objects which are to be controled. Than we are going to visit them, inspecting the curent stage of construction works and the financial accounts”. The Vice-Premier underlined that the financial part of the construction will be developed by the Russian representatives. The South Ossetian officials don't take a detached view on the situation: the Republican Supreme Court have tried a number of cases of squanderings during the 2010-2012 period. One of the first orders issued by Leonid Tibilov the newly elected President of South Ossetia charged The General Prosecutor's office and the control-audit chamber of the Republic with investigating the cases of the Russian money squanderings.

Unfortunately South Ossetia hasn't become the paragon of the Russian presence in the South Caucasus region, a model that can be acquired but by the Ossetian neighbors. Along with promoting the quality of the investment spendings the situation could have been changed by the coordination of the administrative procedures, the improvement of the business climate along with the suspending of the customs barriers that make Ossetian goods noncompetitive on the Russian markets. The European Union along with Georgia, that have signed on a somehow halved trade agreement, expressed the idea of applying some of the paragraphs of this agreement to South Ossetia and Abkhasia. As the representative of the European Union Gunnar Wiegand stated those measures could have had a bilateral character (i.e. Tbilisi - Tskhinvali).
But the awaiting the change of the international status of South Ossetia can be called too optimistic. As the Russian Minister of Foreign Affairs Sergey Lavrov mentioned during the meeting with his Ossetian counterpart Dmitry Sanakoev “the destiny of the Republic is created by its own people that voted for the independence”. The aftermath of the political crisis of 2001-2002 can be soften gradually. Today a number of newly created political parties support the sitting president. The Department of Justice is surveying the existing political parties in anticipation of the forthcoming parliament elections that due to take place in May 2014. The political climate in the Republic is positively active, a number of the former candidates for presidents have headed the newly created political parties. Nobody of these express the pro-Western or even pro-Georgian views knowing that their electorate won’t understand such a maneuver.

As far as the cooperation with the Russian Federation goes, it expands on the daily basis. The bilateral security matters are dealt with on a high level which is explainable since there’s an agreement of the bilateral military cooperation in place. The demarcation of the Georgian borders with South Ossetia is carried out by the Russian forces that serves as a constant source of complaint for Georgia and its Western Allies. But nobody proposes to separate South Ossetia from Georgia completely, which would be impossible even if somebody did propose such a thing due to the landscape characteristics. But the strict rules that should apply to anybody willing to cross the border with South Ossetia is vital since the Caucasus region remains rather unstable. On top of all a number of examples shows (Syria included) what are the possible outcome of the uncoordinated cross-border procedures or the absence of those.

Andrey Areshev, an expert at the Center of Central Asia and Caucasus Studies by the Institute of Oriental Studies RAS, exclusively for New Eastern Outlook.