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**Potential for Conflict Related to Land Problems in  
Georgia's Marneuli and Gardabani Districts**

*Policy paper*

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### Introduction: Background of the problem

The aim of this report is to analyse the potential for conflict related to land distribution problems in two administrative districts of Georgia – Marneuli and Gardabani. The two districts under study are part of Kvemo Kartli province and are located near the Georgian capital, Tbilisi, to the south of the city. Gardabani District borders Azerbaijan, while Marneuli District borders both Azerbaijan and Armenia. Marneuli District includes the Red Bridge checkpoint on the Armenian and Azerbaijani border.

Both districts are predominantly agricultural, with vegetables being the main produce. Potatoes play an especially big role. While we do not have specific data for the two districts under study, on the whole, in 2000 Kvemo Kartli province produced 126,000 tonnes of potatoes, which constituted 41.8 per cent of Georgia's total potato production. In the same year, the province produced 25.4 per cent of all the vegetables grown in Georgia.

Cattle breeding also plays an important role in local economics. Kvemo Kartli is home to 11 per cent of all the livestock in the country, with Gardabani and Marneuli Districts being the main producers of the livestock within the province.

Manufacturing is much less developed in Marneuli and Gardabani, and the overall tendency is towards the further decline: in 2002, the overall volume of manufacturing in Gardabani District totalled only 41.3 per cent of the previous year's output, and in Marneuli District the figure was 23.2 per cent. Economic activities increased seven per cent in Georgia as a whole throughout this period.

The only exception to the mainly agricultural character of Gardabani-Marneuli is the Gardabani power plant, which produces much of the electricity Georgia consumes. For most Georgians, the town of Gardabani is primarily associated with the power plant. However, the importance of the plant in terms of employment has decreased. Local respondents noted that after several of its units were closed down and others privatized, the number of power plant employees decreased from 1,800 people to approximately 200. Since until recently the electricity system in Georgia was in crisis and, in particular, electricity distribution companies consistently failed to collect payments for power consumed, many of the remaining employees did not receive their salaries for months at a time. In the last two years, as important reforms and renovations were being implemented in the energy system, with both rates of production and collection of revenues improving, employment at the Gardabani power plant has again become more attractive.

Nevertheless, the livelihood of the large majority of residents of both districts remains largely dependent on agriculture. Therefore, the reform of land ownership and the distribution of land are of paramount importance. There are several sets of concerns related to this issue in

the region: (1) problems related to land privatization legislation, among them the introduction of special provisions for border regions such as Gardabani and Marneuli; (2) problems of land distribution, namely that of leases for large plots of land were given to a selected few, with most local peasants having to sub-let their plots from middle-men; (3) selling produce under conditions of stronger competition, the deterioration of road infrastructure and increases in transport expenses.

This paper will examine these concerns from the perspective of the local stakeholders, analyse related conflict issues and discuss the best ways for the resolving them. It is based on research carried out by the German Organization for Technical Cooperation (GTZ) and the Caucasus Institute of Peace, Democracy and Development, a Georgian public policy research centre, in cooperation with the Union of Intercultural Cooperation in Kvemo Kartli Province (based in Gardabani) and the Union of Azerbaijani Women of Georgia (based in Marneuli). The initial research was carried out in the summer of 2003. It included stakeholder meetings on the local level, followed by a series of in-depth interviews, focus group discussions, media analyses and a quantitative study of local opinion. In 2005, after the Rose Revolution, the analysis was updated based on new stakeholder meetings and in-depth interviews with local experts. The report also includes feedback from local stakeholders to the draft version of the report.

### *Land reform in Georgia and its minority-populated border regions*

In Soviet times, most agricultural holdings were directly or indirectly under the control of the state in the form of “kolkhozes” (collective farms, notionally agricultural cooperatives) and “sovkhozes” (Soviet farms, government-owned agricultural enterprises). Individual farmers in Kvemo Kartli could only use very small plots of land, though the productivity of those small plots was considerably higher than that of the government-controlled farms. The fertility of their land, proximity to a large city – Tbilisi, as well as fairly easy access to the entire Soviet market thanks to rather low transport prices, allowed rural dwellers of Gardabani and Marneuli Districts, as well as of many other regions of Georgia, to lead fairly comfortable lives, at least by Soviet standards.

With the fall of the Communism, the system of collective land ownership started to break down. Starting in 1992, large government-controlled farms were gradually disbanded in Georgia, with the land either privatized or leased to individuals or organizations. Theoretically, one might expect this to further improve the living standards of the rural population, since now much larger swaths of land could be cultivated by individual owners, which would naturally be followed by an increase in productivity. In reality, however, the opposite was the case.

First of all, access to the huge market of the Soviet Union was disrupted due to exponential increases in transport prices and political instability. The overall economic crisis in

the country (as well as in other countries of the former Soviet Union) led to a drastic reduction in the purchasing power of the urban population. With former international borders now open, underdeveloped Georgian agriculture had to engage in competition with much more advanced Turkish farmers who could provide the same produce for lower prices. Rural dwellers accustomed to taking advantage of the state's patronage of agriculture – such as the provision of seeds and fertilizers, access to agricultural machinery, etc. – had difficulty adjusting to the system of “wild capitalism” where they had only themselves to rely on. Public infrastructure (roads, irrigation systems, etc.) started to deteriorate rapidly. The introduction of more productive methods to agriculture inevitably made much of the rural population of Georgia economically redundant, while manufacturing was in deep crisis for its own reasons and did not provide alternative employment opportunities.

All this led to a considerable decline in the living standards of the rural population in the early 1990s, which has yet to be fully overcome. This is true for the whole of Georgia, though the situation in Gardabani and Marneuli has its own specific nuances related to the privatization and distribution of land.

The issue of land privatization in Georgia (as in many post-Soviet states) proved politically controversial. Reform-minded free-marketers pushed for land privatization, as they believed it was one of the principal elements of economic reform, while conservatives vehemently opposed this policy option, considering the private ownership of land contrary to national interests. One of the main arguments put forth by opponents of land privatization was nationalist in nature: permitting the free purchase and sale of land in a multiethnic country where minorities are often concentrated in border regions may pose a threat to the territorial integrity of the state, they said. They specifically meant Azeri-populated parts of Kvemo Kartli (including the districts under study here), as well as Armenian-populated areas of Samtskhe-Javakheti Province. Both regions border the “ethnic homeland” of their minority residents, that is, Azerbaijan and Armenia respectively. This creates – at least theoretically – an ethno-demographic precondition for the emergence of irredentist movements. Ultimately, nationalist resistance failed to stop the process of land privatization in Georgia in general, though it did lead to the introduction of special provisions regarding land ownership in ethnic minority-dominated regions.

Land reform in Georgia got under after the new law "on ownership of agricultural land" was enacted in 1992. This law allowed for the transfer of land to private ownership. It recognized two forms of land ownership: private and state. In practical terms state ownership meant that the land was controlled by the local administration (gamgeoba), which is ultimately

controlled by the centre. The administration could then either transfer the land to private ownership or lease it under certain conditions.

A registration agency was established to oversee the process of transferring land ownership to private hands. Transfer of control over land is complete when ownership rights are registered. Landowners then had the right to lease, donate, sell, mortgage etc. their plots of land. All these transactions were to be codified through land registration procedures.

The land reform divided potential landowners into three categories and defined different quotas of land ownership for them. People who had been involved in agriculture were entitled to the largest plots, followed by rural dwellers involved in activities other than farming, and, lastly, inhabitants of cities. The law instituted a tax for landowners, though amendments adopted by the new post-Shevardnadze government have exempted owners of plots that do not exceed five hectares from paying the land tax.

Apart from transferring land to private ownership, the law allowed the local administration the right to lease the land to individuals as well as organizations on a contractual basis. A lease contract could be concluded for up to 49 years, though the local administration reserved the right to cancel a lease contract if its terms are violated.

The most controversial part of Georgian land privatization legislation was the introduction of a 21 kilometre-wide border zone in which land could not be privatized. This decision was taken based on state security considerations, but it has had negative repercussions for many members of ethnic minorities involved in agriculture in border areas. Only small household plots were distributed to the local residents of the border zone, while the Ministry of Defence was given control over a large part of agricultural lands in Gardabani and Marneuli Districts. The local authorities could also lease land. The new Georgian government that came to power after the 2003 Rose Revolution removed restrictions on the land ownership in the border zone, but the feeling of injustice related to land distribution still persists among the ethnic Azeri population.

#### *Land distribution processes in Gardabani and Marneuli Districts*

People living in the region under study have a number of complaints about the process of land distribution. They say that the process was not transparent enough and that local residents did not know about the rules according to which the land was distributed. Moreover, the government made an effort not to allow potential claimants access to necessary information. One respondent complained that it was impossible to get information on land issues from the local administration. The lack of transparency, on the other hand, was linked to what citizens believed were the arbitrary actions of the authorities with regard to land

distribution. *“Every local administration head thinks he is the owner of this land... they consider themselves to be all-powerful... they sell the land as they please,”* farmers in focus groups in Gardabani said.

Formally, the mechanism of land distribution was the following: the authorities announced a competition, which was publicized beforehand in the local press. Applicants who wished to rent the land submitted a business plan and other necessary documents in a sealed envelope. The selection process was carried out by the land commission and its recommendations were considered by local administrations, which took the final decision. However, the local respondents alleged that the decisions were made on the basis of bribes, nepotism, cronyism and other personal connections, or orders coming from the national authorities. One respondent from Gardabani said that announcements were published in the local newspaper *Gardabani* in two languages (Georgian and Azeri), but noted that the newspaper was often published late, therefore by the time of publication the renting process had already been completed.

Moreover, the mechanism of newspaper distribution could be manipulated: in the villages, papers were usually distributed through government structures (such as village councils (sakrebulo)), so the heads of the councils could just hold back the relevant issue of the newspaper and when citizens came with complaints later, they could show them the newspaper and point out that the announcements were indeed published. In addition, sometimes the version in Georgian did not correspond to the version printed in Azeri.

As a result, the land was rented out primarily in the form of large lots to firms and private persons. This left many farmers without land, though some held small homestead plots. What caused special resentment among local residents was that much of the land was rented to “outsiders”, that is, persons or companies not resident in the region. The new holders of the land would sublease it to local farmers (naturally, for much higher price - around US \$100 per hectare) on the basis of verbal agreements without any formal contracts. Some tenants even got the land for sublease through several intermediaries. Some large renters did not sublease the land at all, but rather hired local peasants as day labour.

Much of the produce is transported to Russia, usually in big lots through intermediaries that come to the region. Some of it is sold in smaller lots in Georgian and Armenian markets.

Such a situation causes great discontent among the population, especially ethnic Azeris. Their protest is caused first of all by the fact that most of the land is owned by people who do not live in the region and presumably have connections in central and regional government bodies. A respondent from a focus group in Marneuli said: *“A woman came from Ozurgeti and took 300 hectares. She doesn’t even know where her lands are, she comes here every spring,*

*pockets the money and leaves, and she doesn't pay a penny to the local budget". Another respondent pointed out that as a result: "Most farmers own only homestead lands with an area of 1-1.5 hectares. Some don't have even that much, while large renters control up to 400-500 hectares of land each."*

Furthermore, newly arrived tenants tend not to pay taxes on their revenues and very often do not pay rent either, thus depriving the village budget of crucial revenues. Respondents blame the minimal resources in local budgets for the collapse of public infrastructure – roads, sewerage system and so on.

Conflicts over land distribution and resulting discontent are generally socioeconomic in character. One could even call them a class conflict of sorts. Given the realities of transitional economics, it is hard to imagine how land privatization could not result in the economic stratification of villages. Still, many see injustice in the fact that most of the land came under the control of a small group of large leaseholders who acquired their contracts through bribes, kinship and friendship ties to local authorities or through high-level connections in Tbilisi, and turn the bulk of the local population into sub-tenants or hired day-workers. On the other hand, the local authorities used control over the process of distribution of land leases as an instrument to extort money and to achieve political influence.

Since the population in Gardabani and Marneuli is multiethnic, conflicts around land distribution sometimes take on an ethno-political colouring as well. Ethnic Azeri residents tend to think that even when the land was actually leased to local residents the preference was given to ethnic Georgians. When it comes to the "outsiders," the latter are, as a rule, ethnic Georgians who are seen as benefiting from the system at the expense of the local Azeri population.

The research did not permit gathering any specific information on the identity of these so-called "outsiders", though it is assumed that these people had connections with the local or central authorities, and they had an extremely strong interest in maintaining the political status quo. Their main fear was that they would lose the right to control the land either if the government decided to make concessions to the local Azeri community, or if there was a

*The existing state of affairs caused discontent among the local residents for at least two reasons. Firstly, the high cost of subleasing significantly reduced the profitability of agriculture. Secondly and more importantly, the population was outraged at what it perceived as an injustice. Representatives of the Azeri community think that such a procedure of land distribution was caused by the unwillingness of the Georgian government to give them control over the land because they were ethnic Azeris.*



change in the overall balance of power in the country.

A quantitative survey confirmed the hypothesis that residents of border villages (i.e. those who live in the border 21-kilometre zone) expressed greater discontent with the process of redistribution of land than residents of the villages, which did not fall into the zone. The difference, though, is not very great. The following table shows respondents' answers to the question "How was/is the process of [land] privatization carried out?":

	Border zone villages	Towns	Non-border zone villages
Fairly	9.5	8.2	17.0
Unfairly	24.3	15.8	18.2
In various ways	29.1	18.2	25.1
Hard to answer	37.2	57.9	39.7

The fact that Azeris consider the process unjust was confirmed, but in fact, their responses did not differ much from those of Georgians:

	Azeris	Georgians
Fairly	12.0	14.8
Unfairly	22.0	13.3
In various ways	23.4	24.1
Hard to answer	42.7	47.8

First of all this feeling of protest is usually expressed through petitions submitted to the authorities (regional administration, deputies). When such methods are unsuccessful, farmers sometimes resort to holding public demonstrations in front of village or district administration offices. But such open demonstrations of discontent are quite rare. Mainly the residents avoid politicizing their problems in public as they fear (not without good reason) that it could lead to greater ethnic tensions.

The lack of any formal agreements between tenants and sub-tenants is another source of conflicts. In particular, conflicts often arise over the amount of lease payments or the schedule of payments. In one case, a village council got 110 hectares of pasture land from the local administration. The village council appointed a person to tend to the land in exchange for being given two hectares of the land for his own use. This was, however, a verbal agreement and there was no written contract. When the new head of the local administration (gamebeli) was appointed, the person in question was charged 250 GEL per hectare. He could not afford it and

was replaced by another person. He wanted to bring the case to court but could not as he was unable to present any document to substantiate the agreement giving him the land. In general, sub-tenants prefer to have written agreements stipulating the terms of sub-leases, while tenants are reluctant – presumably because they would thus lose opportunities for manipulating the terms of the agreement.

### *Economic and political dimensions of the problem*

It must be pointed out that rural residents in other regions of Georgia, where there are neither restrictions on land ownership nor ethnic problems, have no fewer (and may be even more) difficulties, though of a somewhat different colouring. They face the same challenges that people in Gardabani and Marneuli do: lost access to former Soviet markets, increased transport costs, reduced purchasing capacity of consumers, the poor condition of roads, deteriorated agricultural infrastructure (i.e. irrigation systems, agricultural machinery), etc.

The process of privatization, however, has led to another set of challenges. The “fair” distribution of land led it to be split up into plots so small they could not be profitable on their own. In relatively more advanced agricultural regions, such as Kakheti, this led to a second round of redistribution of the land – this time on a commercial basis.

In Kvemo Kartli, local residents had to sell their lots at low prices to large new landowners, who in some cases also happened to be “outsiders” to given regions. The new owners would then hire the same local residents as day workers. The fertility of the land and its proximity to Tbilisi, even under the conditions of unfair sublease, makes agriculture in Marneuli and Gardabani still more profitable than in many other Georgian regions. Therefore, while there is obvious economic motivation behind local grievances, it is the legal and ethno-political aspects that make the difference.

Local residents and the state can be identified as the main actors in the controversy surrounding the issue of land distribution. Public discontent is directed mostly against the policies of authorities, who are seen as failing to institute a fair mechanism for land distribution. Ethnic Azeris tend to claim that this unfairness is ethnically motivated, but it is the government rather than the local Georgian residents who are seen as the culprits. However, the related conflicts can also strain relations between ethnic communities. In particular, Azeri residents sometimes accuse the Svan community – those Georgians who were recently resettled to the region following natural disasters in the mountainous region of Svaneti – of being especially aggressive when fighting for land. Some respondents alleged that the Svans not only use widespread methods such as paying bribes or looking for personal connections in order to obtain land, but also sometimes resort to open takeovers of land, which they often get

away with because of the indifference of the authorities. Conflicts between large tenants and sub-tenants may also have ethnic colouring as the former are usually (though not always) ethnic Georgians and the latter are ethnic Azeris. Moreover, there may be conflicts between residents over the exact delimitation of land plots or the use of irrigation facilities – but such conflicts lead to ethnic tensions only in rare specific cases.

Under the previous government, the policy of the authorities was to turn blind eye to numerous violations. However, if a tenant fell out of favour for some reason, or if the authorities decided they needed his plot of land in order to award it to somebody else, they could easily take advantage of his past violations as a pretext for annulling his contract.

Overall, it can be said that legal and other ambiguities with regard to land issues allowed the authorities to use the distribution and redistribution of land as a tool to accomplish various goals: to grow wealthy through corruption, to strengthen their positions through bribing friends in high places with lucrative land contracts and to manipulate local politics. Informal leaders of local communities, who had to the power to influence their peers, were the key target in this regard: their political loyalty could be bought through leasing land. Therefore, the issue of (re)distributing land would take on key significance as elections drew near.

Although according to the law the distribution of land was carried out through village councils, in practice the latter could not make any decisions without the consent of higher levels of authority, namely the district and provincial administrations. This difference is important, as councils are locally elected while the latter two are appointed by Tbilisi. However, it is believed that local leaders also needed high-level support in order to win elections locally. This does not imply of course that local leaders did not have their share of power in land distribution: their relatives and friends had clear privileges in the process.

According to residents, province and district level administrations and elected heads of village councils were links on a single chain that sought to gain illegal revenues from land distribution. The village administrator was important since he guaranteed stability through contacts with informal leaders of the community. Therefore, when selecting candidates to support for the position of village administrators, the centrally appointed administrators on the district and province level took into account not only political loyalty, but also informal authority within a given village.

Mechanisms of land distribution could also be used for the *cooption of the discontented*. One can cite a case in Marneuli District where the previous government appointed an influential Azeri public figure who had often publicly criticized the policies of authorities to an important government position that dealt with leasing land. This person did not on the whole stop criticizing the government, but as he himself acknowledged, he started to

approach the land problem with greater understanding has he came to view problems faced by the authorities in a somewhat different light.

While local respondents are often critical of the policies of the authorities, it must be recognized that the people themselves should be much more active in these processes to assure just outcomes. For example, the respondents in a focus group of residents of non-border villages in Gardabani District concluded that the most important socio-economic and political problems stem from “the low level of public awareness and community activism among the population”. The problem of land distribution is also greatly aggravated by the fact that people do not know the laws. Most respondents acknowledge this, but this does not imply that they are willing to take any action to defend their rights, or that they will chose to do so through legal processes as opposed to through informal and often corrupt relations.

#### *New approaches to land re-distribution: mechanisms and challenges*

The new authorities admit that land distribution in Gardabani and Marneuli Districts has been unfair and that new approaches have to be introduced. For this reason, special commissions were created in some areas to revise old lease agreements and business plans, annulling those where the tenants did not keep their part of the contract, and to introduce a more fair and transparent procedure of land distribution.

In the past, many tenants would violate the terms of agreements. As noted above, many tenants did not pay rent. In addition, business plans included obligations to use the land in certain ways: for example, a specific number of workers had to be employed and taxes had to be paid on their wages. However, since the land was in fact sub-leased, no one paid either wages or taxes. Business plans could also involve specific plans as to what to cultivate: if the land was classified as belonging to the most fertile category, vegetables rather than hay grass were to be produced there, but often the production of hay is more profitable than planting vegetables. The presence of such specific terms in contracts and attached business plans allowed the commission to nullify a contract and release the land for a new competition.

Two kinds of commissions are at work on the process of land redistribution. Ad hoc commissions are created to check the fulfilment of contracts through inspecting the land and determining whether tenants have complied with the terms of the lease contract and the business plan and whether they have faithfully paid rent. Based on the investigation of the ad hoc commission, a permanent commission decides whether or not to annul or extend the contract. If the commission decides to extend the contract, the permanent commission should provide well-grounded and justified arguments for this decision.

## **Land redistribution: Specific Cases**

*Here are some controversial cases brought to our attention by respondents – though the authors of this report were not in a position to check them independently.*

### Case A

Based on a commission decision, a lease agreement on 1.5 hectares of land was made null and void based on the tenant's failure to pay taxes and leased to another tenant. A court, however, restored the rights of the previous tenant. The conflict remains unresolved, as the new tenant refuses to give up the land.

### Case B

A one-hectare plot of land was leased to two different people. Neither the council nor the court wants to handle the case and the conflict remains unsolved.

### Case C

After making late tax payments, a tenant was obliged to pay a penalty in the amount of five times the original tax rate. The case was brought to the court, which in its ruling restored the contract, rejected the penalty provision and obliged the tenant to pay the tax in the original amount. Despite the court decision, the tax department continued to pressure the tenant to pay the penalty.

### Case D

A person seeks a plot of land to lease and makes a formal enquiry to that end. The application is declined due to the lack of available land. The applicant, however, refers to specific violations of the terms of the contract by the tenant of a certain land plot, but this information is ignored.

### Case E

The commission examined a contract several times and came to a different decision on each occasion: to reduce the space of the rented plot of land, to restore initial terms of the contract, to alter the number of signatories to the contract, etc. The current tenant requests the terms of the contract to be finally determined.

### Case F

A number of respondents complain that a large plot of land was allotted to the Tbilisi hippodrome for a stud-farm, leaving local peasants without land. The relevant authorities promised to solve the problem and distribute the land to local residents, but have yet to take action.

The inspections have shown that most tenants do not fulfil the business plans on the basis of which the leasing contracts were concluded. Typical violations include the use of land designated for vegetable production to cultivate hay grass. In one such case, the commission found that were annulled for the lease of 770 hectares of land, which was used for pastures. In the village of Jandara, approximately 4,000 hectares were used by three tenants for hay production in violation of the contract. These findings led to the cancellation of some contracts.

As one district administration representative said, nobody is under the illusion that these efforts will solve all the problems. The work of the commission is not perfect and needs

further improvement in order to achieve greater transparency and create a permanent mechanism to monitor the implementation of the terms indicated in the contract and the business plan. Nonetheless, the new government maintains that it is committed to the fair distribution of land.

The land that became available due to cancellation of earlier contracts is distributed through tenders. Applicants, whether they are legal entities, initiative groups or individual persons, have the right to submit a business plan and proposal that specifies the amount of land needed. The land will be awarded to those who offer to pay the highest rent and submit the most cost-effective and sound business plans.

Yet the commission's work has not managed to resolve all concerns related to land distribution. On the contrary, people claim that the new mechanism has not only failed to distribute land fairly, but caused more conflicts and exacerbated tensions. There are allegations of new injustices as well. One of the respondents cited a case when, following a commission inspection, a land lease agreement was annulled because the tenant failed to pay taxes. The latter, however, submitted documents to prove that taxes had been paid, but the contract was nevertheless not renewed. Bringing the case to court did not help either: the court ruled in favour of the tenant, but its decision was not carried out and the tenant's rights to the land were not restored.

Some respondents noted, however, that statements on tax payment are not always reliable since bribes or connections may help one obtain false evidence on such issues.

Cases like this cause frustration among the people. Many of them are sceptical about the work of the commission because they believe that in any new system of land redistribution decisions will still be based on corruption and personal connections.

### *Feedback from Stakeholders*

#### *Inhabitant of village Kabirkent, Marneuli District*

Overall the analysis gives an impartial assessment of the situation in the district with regard to land distribution. The question is, however, who will correct the mistakes, who will resolve the conflicts? Despite the great deal of the complaints, only a few cases are solved fairly. Red tape, corruption, nepotism and kinship ties are the ways in which the problems or complaints are "resolved". The cause of the injustice is hostility towards other nationalities: they are humiliated and oppressed because they are a minority and they do not speak Georgian. The existing conflicts will continue until the law starts to function, until regulations and laws are applied and enforced equally to [ethnic] Georgians and non-Georgians.

The land is not the only cause of the conflict, but given that the land is the only source of income for much of the local population, when it is given to “outsiders” this elicits a harsh reaction from local people.

*Inhabitants of the village of Kvemo Kulari*

It should be said that dividing people into groups such as “us” and “outsiders” is wrong because all of us are citizens of Georgia. Since the dissolution of the Soviet Union a lot of reforms have been implemented in the country. Land reform was one of them. Those who perceive a threat from minority-populated areas bordering on the ethnic homeland are very mistaken. It is of vital importance to create equal conditions for all citizens of Georgia and exercise the equal rights laid out in the Constitution.

In 1996 land reform was conducted in such a way that some restrictions were instituted within the 21 km-wide border zone. This has led not only to violations of human rights but to the destruction of agriculture in the region as well. Having taken hold of large plots of agricultural land, certain individuals started to engage in speculation and abuse the land. This resulted in confrontation among different social groups. In order to avoid grave consequences, the land should be re-distributed based on the following rules:

1. All previously concluded contracts must be invalidated;
2. The width of the border-zone for which restrictions are instituted should be reduced from 21 to 5 km;
3. All the available land should be delegated to village councils;
4. Tenders and competitions for the land should not be held and business plans should not be required of those applying to buy land. The land should be given to whom it really belongs, the peasants.

*Representative of Gardabani District Administration*

Until the problem of unemployment is solved, control over the land will always cause conflicts between the authorities and land users as well as among land users. It is of vital importance to develop enterprises that process agricultural produce in regions where land and agriculture are major sources of income.

Conflict and confrontations between local government and tenants are caused by internal political instability. Although issues of land distribution lead to conflicts themselves, sometimes local government representatives instigate conflicts artificially. It would be wrong to simply distribute land equally to every claimant – this principle should only be applicable to

household plots. Land should be given to those who have the capacity to exploit it for purposes such as the production of agricultural goods. Nowadays merely 15-20 per cent of arable land is utilized for the production of agricultural goods, which implies that most of the arable land distributed is used for hay production as it gives the highest profit with least expenditure. However, hay production decreases the fertility of the land – at least three years are required to restore the land's original fertility after hay has been cultivated on it.

*Representative of Gardabani District Administration*

Land distribution should be based either on the principle of efficiency or that of justice. The paper shows that neither of these principles were considered in the land distribution process. The most expensive land is that located next to the irrigation equipment. This land has fallen into the hands of the few. In order to solve the problem, the law on land ownership should be revised and the right of distribution of land should be handed over to village councils.

*Inhabitants of Kirikhlo and Kvemo Kulari*

Since 1990, the population of Kirikhlo and Kvemo Kulari have been demanding the distribution of land to the local population. Since then people have addressed various levels of government including president, several times, but no one has reacted. It has become clear in this time that people in high places divided up the land among themselves.

*Civil Society Representative from Marneuli*

It would have been useful had the paper suggested peaceful ways out of the conflicts connected to land reform. First of all, the issue of the 21km-wide border zone should be solved and the land should be given over to private ownership. Ignoring the land problem may lead to much more serious results than those we face today.

Leases on the land should be re-distributed through a fair and transparent process. The argument that splitting up the land into small plots makes agricultural activities unprofitable is wrong. People would be able to utilize even small plots for their own needs. In addition, they will be able to create small farmers' associations, melioration associations or other unions. When the land is distributed, the local rural population should be given preference.

Sub-leasing arrangements should be prohibited, as they are the main source of conflict and corruption. The institution of sub-leasing the land creates a layer of speculators who can rent out the land to others for a much higher price than they themselves are obliged to pay to the state.



The state should respond to citizens' complaints with regard to land issues. The role of judges is also very important. As it is, they only fulfil the orders of the powers that be. The simplification and liberalization of land taxes is also an important issue.

#### *Representative of Marneuli District Administration*

The analysis shows the real picture of the region. However, changes that took place after the Rose Revolution should be highlighted well. After the law on land ownership was passed, the land was distributed with a lot of violations. But the new government has started rectifying them. The resolution of existing conflicts requires court intervention. Unfortunately, however, the level of civil education of the local residents is very low. It prevents local peasants from understanding land reform in Georgia in legal terms. In addition, the lack of knowledge of the state language makes it difficult to educate the people about the law, which also leads to discontent.

#### *Lawyer from Marneuli*

Following the collapse of the communist regime, it was local elite – former heads of “Sovkhozes” and “Kolkhozes”, public officials or other powerful people, both local and living in other regions, who were successful in capturing thousands of hectares of land in Marneuli. At that time, most local residents did not understand that state property was being transferred to private ownership, though this was known to the more educated part of them.

In 1996-97, control over this land was legalized through what came to be called “land reform”. Conflicts over land were intentionally fomented by the previous government. After the so called “Rose Revolution” people expected that many problems would be addressed. However, the current government appears to be too preoccupied with personnel politics to pay due attention to the problem. It is important for the authorities to maintain problems that had been created quite long time ago and are still there because it helps them to keep the area under control. The conflicts described in the paper were never based on ethnic or national considerations. They were intentionally created and their ethnic colouring is artificial.

#### *Conclusions and Recommendations*

Since Gardabani and Marneuli are predominantly agricultural districts, the issue of land distribution is a matter of greatest concern in the region, and it still appears to be a more acute problem than in other regions of Georgia. The reason for this is the policy of the previous government, which, based on its understanding of national security problems, created specific

obstacles to the process of land privatization in these districts. The restrictions on privatizing land in the border zone have led the local – predominantly ethnic Azeri – population to feel that they are discriminated against on ethnic grounds. The same restrictions also lead to a distorted mechanism of distributing land through a vague and non-transparent system of leases and sub-leases that is open to corruption and politically motivated manipulation.

The government that came to power after the Rose Revolution took several steps to rectify the situation. Primarily, this implied the redistribution of land through cancelling past lease agreements on the basis of large tenants' failure to observe the terms of the agreements and the new distribution of the land through a more fair and transparent mechanism. The research showed, however, that most local residents remain sceptical towards these efforts of the government, and that in some instances this has even lead to new conflicts and tensions within the region. Moreover, following the Rose Revolution the local population appears to be more outspoken on the issue and, in some cases, more willing to highlight the ethnic dimension of the problem.

The Georgian state will need a more comprehensive strategy to tackle the difficult and politically sensitive issue of resolving the land ownership problem in its predominantly ethnic Azeri-populated border regions. This should include:

- Removing all artificial obstacles to privatizing land at issue in the regions so that land ownership provisions are brought into line with those of other regions in Georgia, thus eliminating any perception of discrimination on an ethnic basis;
- Holding an in-depth dialogue with local stakeholders on developing specific mechanisms of land redistribution in such a way that avoids creating new conflicts and tensions in the process;
- Increasing public awareness among the local population with regard to legal mechanisms of land ownership as well as general directions of state policy on the issue.