

FINAL REPORT

of the project

*The Social Structure of the Population
as a Social Dimension of the Democratic System
(the Case Study of the Republic of Georgia)*

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Introduction

The dissolution of the USSR created a new situation in the World. Social and economic systems were affected and a number of purely political changes occurred. The Cold War finally ended, new geopolitical order started to form, the Newly Independent States (NIS) emerged on the space of the former Soviet Union. It was a good luck that the USSR dissolved after the consensus achieved by the leaders of the major Soviet Republics, the Union Republics acquired independence in a peaceful manner and no civil wars ("Wars of Independence") were to be fought in most of the peripheral (non-Russian) republics of the Union: this helped to evade heavy bloodshed and maybe even an involvement on international level.

As for Georgia, it didn't manage to escape bloodshed: this country had to undergo its own civil wars. The wars were not fought directly against the old metropolis, although the latter's indirect involvement in the internal affairs of Georgia is still apparent. The wars seriously complicated the process of early development of the independent Georgia inclusive of the influence on social change. But even in the peaceful regions of the post-Soviet space a lot of social problems arose. The turn to market economy brought a number of problems. Rupture of economic ties destroyed the old economic system and caused severe unemployment. Privatisation programs, an inevitable step if any progress is to be achieved, nevertheless lead to certain social injustice which appeared to be unavoidable: hence economic and social inequalities increase dramatically. Irreversible social changes have started which will lead, already in the visible future, to the serious changes in the social structure of the population in most of the post-Soviet states. But the pace and intensity of this very social change depends mostly on social psychology and attitudes which have pronounced inertia and cannot be changed in a short time. And the social psychology can be largely explained by the specific social structure of population.

At the same time in some (not all) of the NIS the process of democratization started. This is at least true of Russia, Georgia, Baltic states, etc.

Will democracy in the post-Soviet space develop in the manner that leads to the formation of Western-style civic society? If the answer is "yes" (and this is, by all means, the most desirable answer) there will appear new questions: "How will it happen?" and "What can hamper it?" These are important questions and there are no single answers to them. But it is apparent as well that specific social structure of the post-Soviet societies will influence the formation of democratic systems. This influence might be of dual character: partly positive and partly negative. The changes in the social structure may be considered as a dimension of a democratic system formation. If changes in the above-mentioned structure will move in the direction of that in the established democracies, this would show a real progress in the modernization of the NIS. And vice versa.

When starting to implement this project as the working hypothesis it was assumed that:

(a) the process of democratization of the societies in the NIS is hampered by the specific social structure of the population, and

(b) with the change of social structure and, especially, with the appearance of the numerous enough middle class, the development of democratic system will accelerate.

It was proposed to study the social structure of the population of Georgia (until the adoption of the new Constitution of 24 August 1995 the country's official name was the "Republic of Georgia", since it changed to "Georgia") which is to some extent typical of most of the other NIS, although bearing some very specific features as well.

Basic concepts for the study were "social structure of population" and "democratization".

Under "social structure of population" in our case is meant social inequalities in terms of income, status, educational opportunities which affect social class composition.

Under "democratization" is meant the process of democratic consolidation.

Chapter 1

METHODOLOGY OF RESEARCH

1.1. It was considered essential to analyze the changes in the social structure of the population of Georgia during the last century, when the country had undergone several transformations: each of them left its impact on the modern social structure. Thus the analysis of the major population censuses was carried out. Historical approach proved to be fruitful as the changes in social structure occur in time and legacy of previous situations has a long-lasting effect.

1.2. Education plays a significant role in social mobility and affects class composition. Thus it appeared to be important to analyze the situation with education in pre-independent and contemporary Georgia.

1.3. It was considered worthwhile to analyze some preliminary results of the process of privatization which started in this country in the 1990s and apparently affects the redistribution of wealth and, hence, the social structure.

1.4. As far as move towards political pluralism can be considered as a step to democratization (in some cases - a predecessor of democracy) it was assumed necessary to analyze the results of some political elections in this country and to evaluate their impact on the changes in political culture and social structure of the population.

1.5. In order to evaluate the current situation with change in the social structure of the population of Georgia and with democratization patterns it was proposed to carry out public opinion polls and to analyze some results of previous polls as well. As the limited budget of the project didn't

permit to carry out fully independent surveys the advantage of cooperation with the other surveys carried out by the same Department of Human Geography, Tbilisi State University was taken. In this aspect the help of the members and students of the Department was of utmost importance and the Project Director seizes an opportunity to express deep gratitude to all of them.

Several specific questions suitable for the purpose of the afore-mentioned research were included in some surveys, notably in:

a) The Study of Democratic Values (carried out in the city of Tbilisi, in 1995, together with the Department of Political Science, Northwestern University, Evanston, IL, USA). A number of questions concerning the attitudes towards democratic values were included.

b) Georgia Poll, 1996: Nationwide Survey of the Socio-Economic Situation in Georgia (1996), sponsored by the Economic Development Institute of the World Bank. In this case some questions on household expenditures and employment structure were elaborated and included to come closer to the pattern of modern social structure in Georgia.

Implementation of the both surveys in Georgia were directed by R. Gachechiladze.

1.6. During the past two years the following scientific centers in the NATO countries were visited, scientific work carried out and scholarly links established or deepened:

a) Turkey, Ankara (November, 1995)

Middle East University: meeting and exchanging ideas with Professor Ayshe Gunesh-Ayata, the specialist in sociology of classes.

b) The United Kingdom (January-February, 1996)

School of Geography, Oxford University: work in the Bodleian Library, contacts with the social geographers (Professor Kerry Peach, Dr. Judith Pallot);

Work in the library of Queen Mary and Westfield College, London University. Consultations with Professor David M. Smith;

Work in the School of Geography, Birmingham University. Consultations with Dr. Michael Bradshaw.

c) The U.S.A.

Northwestern University, Evanston, IL: work in the University Library. Consultations with Professor Jerry Goldman of the Department of Political Science (February-March, 1996);

Washington, D.C., Kennan Institute of the Advanced Russian Studies. Meeting with Professor Blair Ruble; a lecture on the Social and political situation in the Transcaucasian states delivered by R. Gachechiladze (March, 1996);

Mount Holyoke College, South Hadley, MA: meeting Professor Stephen Jones, a specialist in the politics and economy of the Transcaucasus and Georgia, in particular (January, 1997).

1.7. The articles "Factors of the Emergence of the New Georgia: Pluses and Minuses" (in Russian) and "National Idea, State-building and Boundaries in the Post-Soviet Space (the Case of Georgia)" (in English) were prepared for publication. The articles deal with the specific social structure and some issues of democratization in this country (copies of the articles are attached).

Chapter 2.

SHORT OVERVIEW OF RELEVANT SCIENTIFIC LITERATURE

2.1. The analysis of the scholarly literature on the class structure, social stratification, social mobility and the process of democratization in different countries has been carried out. General works by C. Marx, E. Durkheim, M. Weber, N. Smelser, A. Giddens, J. Golthorpe were, naturally, used during the implementation of the project. Some of them are cited as necessary in the text. Of special interest were some publications concerning the changes in the countries in transition.

2.2. A book edited by Larry Diamond and Marc F. Plattner "Economic Reform and Democracy" [Diamond & Plattner, 1995], which is a good introduction to the key problems facing new democracies, proved to be very useful. The contributors gave a broad coverage of a wide range of topics and countries. Especially interesting appeared to be the article by Leszek Balcerowicz, who deliberated on understanding Postcommunist transitions. As Georgia also is undergoing Postcommunist transition, the latter was better seen against the background of some other countries in the almost similar situation.

2.3. Harry Johnson in his contribution to "The Social Science Encyclopedia" [Kuper&Kuper, 1989] gave definition of "Social structure", which in its most general sense "consists of all the relatively stable features of a social system which an acting unit would be prudent to take into account if it wishes to make rational decisions in interacting with others.'Units' of any social system, including a society, may be either subcollectivities of it or social roles. Relevant social structure varies according to units' interests, goals and 'location' relative to other units. For certain purposes one might want to take into account the ethnic composition of a population; for others, the age composition...One must not reify social structure. For any given purpose of analysis, however, social structure is in principle something describable objectively.

All sociologists have at least implicitly regarded as central the normative aspects of social structure. Marx's conception of class structure, for instance, certainly involves several important and stable normative patterns, such as property, contract, the institutions of family, kinship and others".

In our case we considered social structure of population as the social inequalities in terms of income, wealth, status, educational opportunity of population: all these are caused by class structure

and in their turn they affect the class composition. The change in the social structure in Georgia over the last century have been analyzed against this background.

2.4. Rosemary Crompton in her book "Class and Stratification: an Introduction to Current Debates" [Crompton, 1993] analyzed different theoretical and methodological approaches to the study of social class and stratification which have been developed in the past 40 years. Significant issues, including the growth of the middle class are explored in the volume. As for the "middle class", Crompton agrees with some other authors, that "middle classes" have access to three assets, or potential "causal powers": property, organizational assets (that is, access to positions in organizational hierarchies, and the power that goes with them) and cultural assets (that is, the 'style of life', which serve to buttress and perpetuate structures of power and advantage). Middle class sometimes is referred as "nonproletarian employees" [Wright, 1985].

Changes in the structure of employment, radical changes that followed the breakdown of the "planned economy" made it necessary to reevaluate the meaning of "middle class" as well.

2.5. American political scientists Kenneth Janda, Jeffrey M. Berry and Jerry Goldman in their textbook "The Challenge of Democracy: Government in America" emphasize on the two pairs of dilemmas of democracy: the original one - freedom versus order and the modern one - freedom versus equality [Janda et al., 1997]. It is obvious that in the NIS, including Georgia, the same conflicts between the above values are present. The survey results that were used as a source in this project were analyzed in the light of these dilemmas of democracy (Chapter 5).

2.6. Professor Stephen Jones of Mount Holyoke College (MA, USA), one of the most profound specialists on the Transcaucasus in the West, had prepared recently a paper "The Political Economy of Reform: Interest Groups in Georgia" (sponsored by the World Bank). In the paper the emphasize is on the de-facto existence of the different interest groups which actually contribute to the development of democracy in Georgia. Prof. Jones argues that "society remained fragmented and unorganized, but structural changes in the economy, the Georgian leadership's commitment to participation, the restoration of order, and the new involvement of western NGOs, had generated embryonic interest and associational groups with claims on government policy". And analyzing the current situation he comes to a conclusion, that "of all the Caucasian states, Georgia has most successfully overcome the post-Soviet crisis of authority and most closely resembles the representative democracy so ardently promoted by Western governments" [Jones, 1996]. Although this evaluation may be very flattering to the Georgians, actually there is a long distance to democracy because of intrinsic problems of the actual social structure of population. Yet our project has shown that Prof. Jones' evaluation is correct: move towards democracy in Georgia is quite visible.

Chapter 3

HISTORICAL AND CONTEMPORARY PATTERNS OF THE SOCIAL STRUCTURE IN GEORGIA

3.1. Introduction.

3.1.1. It can be argued that the modern social structure owes much to the legacy of the previous periods, not only of that of the Soviet times (when it was finally shaped and which probably is the major stumbling block on the way to democratization) but partly to the pre-Soviet period as well. At least some aspects of the ethnic psychology of the nation can be explained by an historical excursion in the social structure of population of the end of previous century and the beginning of the 20th.

3.2. Social structure of the Georgian population within the Russian empire in the end of the 19th century

3.2.1. Stratification as a structural inequalities between different groupings of people [Giddens, 1988, 206] was openly recognized in the Russian Empire where each person knew that he belonged to a certain *sosloviye* (stratum or "class"): he/she knew that his/her legal rights are not equal to that of the other *sosloviyes* and these rights are regulated by the State. One of the reasons of the success of the Russian revolutionaries in their struggle with the Tsarist regime was the existence of this sort of inequalities. By the way, in the 1910s it was becoming apparent that the stratification into *sosloviyes* in Russia is more and more becoming an anachronism and will be abolished, but formally this didn't happen before the February 1917 Russian Revolution.

3.2.2. Nevertheless it is worthwhile to analyze the social structure of the population of Georgia against the background of the whole Russian Empire according to the only Population Census carried out in the Empire exactly 100 years ago - in 1897. The Census results were not elaborated according to the ethnic structure, but only by the linguistic families (e.g. Indoeuropeans) or groups (Slavic, Turkic). As the Georgians belong to a separate linguistic family (Kartvelian) which in those days actually covered what already was (or was to become under the speedy process of the nation-building during the next decade or two) the Georgian nation, they were considered in the Census results as a separate group (in contrast, e.g. to the Slavic peoples or "Indoeuropeans", covering different ethnic groups) [Troinitsky, 1905].

3.2.3. According to the 1897 Population Census among the Georgians hereditary nobility comprised 5.29% (among the total population of the Empire the same group accounted to 0.97%), personal nobility and high-rank officials without title - 1.04% (in the Empire - 0.50%), the clergy - 2.18% (0.47%), hereditary and personal honorary citizens - 0.21% (0.27%), merchants - 0.17% (0.22%), petty bourgeoisie (*mieshchaniye*) 3.55% (10.99%), peasantry 87.32% (77.12%). In each case the data concern the family members as well [Troinitsky, 1905, LVI].

3.2.4. When compared to the total data it becomes apparent that among the Georgians there was by far the largest in the Empire percentage of the persons belonging to privileged classes, especially the nobility and clergy (4-5 times more). The proportion of the class of the merchants among the Georgians was approximately equal to that in the Empire as a whole, but it must be added that in Georgian provinces of the Empire (Tiflis and Kutaisi *gubernias*, Batumi and Sukhumi *okrugs*) among the merchant class there prevailed the representatives of another ethnic group - the Armenians. Georgian nobility were losing their landed property to the Armenian usurers and merchants and to the State Treasury as the payment for their debts inevitable due to their lavish style of life and inability to organize their farmland in a proper capitalist manner.

3.2.5. Percentage of petty bourgeoisie (*mieshchanie* - literally the "burgesses") who could be considered as a composite part of the "middle class" - economically independent from the state and more or less affluent - was insignificant among the Georgians a hundred years ago (three times less in proportion than in the Empire as a whole). In this "class" again much larger was a proportion of the representatives of the peoples other than the ethnic Georgians: mostly these were the Armenians and immigrants from the European Russia.

3.2.6. Among the peasants, whose proportion exceeded by 10 percentage points that in the Empire as a whole, the process of property differentiation was profound. In contrast with the Russian peasants the Georgian ones didn't form so-called *obshchina* (closed economic community): this permitted them to be more individualistic and independent in decision-making. On the other hand, as far as the farmland mostly didn't belong to the peasantry but to the Empire (State Treasury) or to the aristocracy, after the abolition of serfdom in the 1860s the former became predominantly the leaseholders or, at most, the owners of small plots.

3.2.7. This social structure to some extent influenced the national character of the ethnic Georgians as a whole. Trade for a long time was considered to be a humiliating occupation. There was (and still is) noticeable weakness of the collectivist mentality and marked individualism within this nation. The prevalence of nobility as the national elite promoted long-lasting effect of the so-called "feudal ethic" emphasizing "boldness, deliberate outburst of nonrational violence and showy grand gestures" [Kuper, 1989] typical of all the persons belonging to the feudal class irrespective of their country of origin. But this ethic became a stereotype of a Georgian in the 19th century: even later, the behaviour of an average Georgian was again affected by this ethic (especially what concerns "showy grand gestures"!), which didn't contribute to the accumulation of capital. In recent times this ethic is rapidly changing along with the changes in the social structure as a whole.

3.3. Social structure of Georgia under the Soviet power

3.3.1. The Communist ideology was more hypocritical than straightforward imperial one, which openly recognized the existence of social inequality. On the opposite, the Soviet power announced its intention to build a fair, classless society where everybody would have been equal. At the same time working class was proclaimed to be "the ruling class", the "dictatorship of the proletariat" became the official doctrine and the basement of the State: this lasted till the 1980s. In reality the ruling class appeared to be high-rank party officials and *nomenklatura* as a whole (see below).

3.3.2. During the 1920s-1930s as a result of an intentional policy the remainder of the former "exploiting classes" (the nobility, clergy, merchants, even richer peasants, so-called "*kulaks*") who couldn't manage to emigrate earlier, were uprooted, dispossessed, quite a few of their representatives - even physically annihilated. For Georgia this sort of "class struggle" proved to be a disastrous process as almost every tenth in the nation earlier belonged to the upper "exploiting" classes and were suspected to be "counterrevolutionaries". Georgia survived the Russian civil war of 1918-1921 because during these very years it was an independent state (recognized as such by the Bolshevik Russia) and this country virtually escaped the internal Russian strife. But after the forced Sovietization of Georgia (1921) there followed the purge of 1924 (the reaction to the abortive all-Georgia anti-Bolshevik uprising), the collectivization with deportations of *kulaks* and the all-Union Stalinist purges of 1937-1938. All these anti-humane actions were mostly directed against the former elites, although 1937-38 mass repressions blot out a large proportion of the new Communist elite as well [Gachechiladze, 1995]. Even if surviving the old aristocracy were no more elite, neither economically, not politically; maybe partially they joined the intellectual elite - the *intelligentsia*. The new social structure had been formed in the USSR.

3.3.3. The CPSU was determined to build a society without class differences but temporarily recognized the existence of two classes: the "working class" and the "co-operative peasantry" (*kolkhozniki* - collective farmers). Along with the classes of workers (which until the end of the 1970s was increasing in number) and co-operative peasantry (decreasing in number) the essential element of the social structure of the Soviet society was, according to the official terminology, a "social layer" (as distinct from "classes") of white-collar workers (*sluzhashchie*), which comprised "*intelligentsia* (specialists) and white-collar workers proper (non-specialists)" [Filippov, 1988]. The *intelligentsia* were supposed to be all the people with the higher and special secondary education [ibid]. The existence of numerically insignificant social groups - non-cooperative peasants, artisans and clergy was recognized as well.

3.3.4. It is obvious that such a social stratification of population ("two classes and a social layer") was an oversimplification. It was introduced on the early stage of the Bolshevik rule to fa-

cilitate the "class struggle" but in reality this stratification lasted for more than seven decades. Those who qualified for "working class category" were given some privileges especially when the Communist Party recruited its new members, some sort of affirmative policy was carried out in their favour. But actually this scheme didn't take into account real dynamism of the society. The white-collar workers were increasing in number and the real elite was becoming the Communist bureaucracy ("partocracy").

3.3.5. According to the above-mentioned scheme 55.5% of the total economically active population of Georgia was listed as working class in 1989 (in 1959 they accounted for 31.7%), 13.2% - as the class of co-operative peasantry (in 1959 - 47.8%). White-collar workers, including *intelligentsia*, constituted 30.7% in 1989 (in 1959 they were 20.2%) [Distribution of the population of Georgia according to social groups..., 1991].

3.3.6.1. WORKING CLASS. Industrial workers were almost absent in Georgia under the Empire as the Georgian provinces were almost entirely rural and agricultural (exclusion from the point of view of non-agricultural employment were two mining areas in west-central province of Imereti where manganese ore and coal were extracted and the cities of Tbilisi and Batumi).

3.3.6.2. Changes in the working class population under the Bolsheviks was much affected by the nature of industrialization in the USSR. In Georgia, as in almost all the Soviet republics industrialization began in the late 1920s, straight from the large-scale machine production: it didn't follow logically from the artisan's workshops and manufactures as happened in most of western Europe. So the first generation of workers in this part of the world were not former artisans, but former peasants; in small Georgian towns, miners and factory workers still have land allotments and psychologically remain farmers until their dying day. It must be added that in the USSR, the country where the "dictatorship of the proletariat" was announced to be the political basis of the State, the workers were never paid enough to make their profession prestigious: the children of these "worker-farmers" dream of becoming doctors, lawyers, or at least traffic policemen [Gachechiladze, 1995]. Thus working class mentality and solidarity are relatively weak.

3.3.6.3. The process of forced industrialization in the late 1920s-1940s led in Georgia to the formation of the factory workers at the expense of peasants. Working qualities of such workers were not high enough, one of the reasons being long-term practice, wide-spread in all the USSR "to fulfill the plan by all means": as the plan quite often was unrealistic, or supplies were inadequate, it was possible to achieve the fulfillment of the plan only at the expense of low quality production or simply by the *ochkovtiratelstvo* (eye-wash, a typical Soviet term hard to be translated into the Western languages: producing false document instead of commodities) on all the levels. As a result of absence of

material stimuli, instead of producing competitive products just "the plan was fulfilled". And this didn't help to raise the qualities of manpower.

Nevertheless there were some industries (mostly in the sphere of military production) where the labour force was very well trained. As the workers' educational level was high enough this affected their skills as well. Substantial sector of "shadow economy" (see below) employed a large number of workers, which produced rather high quality goods by the Soviet standards. These skills are still present.

3.3.6.4. In order to secure the formal numerical growth of the "ruling class" in the USSR, i.e. the workers, a large number of collective farms (*kolkhoz*) without consent of the tenants - the collective farmers - were transformed into the state farms (*sovkhos*) the employees of which, yesterday being peasants, the next morning turned into "the workers". In some exclusively rural districts of Georgia not a single peasant remained by the mid-1980s because all the *kolkhoz* there were converted into the *sovkhos* by the order from Tbilisi (which in its turn received the order from Moscow). By the way the collective farmers never objected against such a practice: as they didn't really possess the *kolkhoz* land (the latter being the state property), it was even more convenient for them to receive a guaranteed salary from the budget irrespective of what grew in the field (quite a few of the *sovkhos* in the USSR were heavily subsidized by the state budget and had no incentive of becoming profitable) and to keep small personal plots of land that everybody engaged in agriculture was entitled to maintain. More than 668 thousands of households, among them 319 thousands of *sovkhos* workers, possessed such plots in Georgia [Kekelia, 1988]. Nevertheless the peasants were not landowners and still depended on the state.

3.3.7.1. CO-OPERATIVE FARMERS. The major and most dramatic social change occurred in the 1930s when mass collectivization took part in the rural area of all the USSR. The peasants which after the Socialist revolution possessed land plots (as the land was proclaimed the state property the peasants had no legal right to sell and buy it) had to give up their land and to join against their will within the collective farms. If even relatively small in size these land plots earlier made the peasantry mostly independent from the Socialist state, and if their land property was large enough this permitted a class of richer peasants (nicknamed "*kulak*" in the Bolshevik media) to appear: actually the latter were becoming farmers, starting to work according to the market demand.

3.3.7.2. So-called *NEP* (the New Economic Policy, an euphemism introduced in 1921 under Lenin to disguise the actual return to the capitalist economy) permitted production for market. But in the end of the 1920s the Communist Party of the USSR reversed its economic policy, *NEP* had been actually banned and strictly centralized planned economy was introduced instead, which helped to consolidate totalitarianism under Stalin. This policy affected the changes in social structure of the

population in the USSR as a whole. It can be argued that the Communist Party of the USSR was interested in uprooting of a potential adversary of its ideas and practice, economically independent classes of farmers and urban "*nepmen*" who actually were forming the middle class. Another, more easier to prove, motivation for the collectivization in the USSR was the necessity of accumulation of the financial wealth and cheap labour for the large-scale industrial development. The latter was aimed to strengthen the military might of the state and also to prove the possibility of fulfillment of the Bolshevik thesis of "building socialism in a single country".

3.3.7.3. The real result of this policy was first of all, hindering of the development of the class of farmers, and secondly - the change in the attitude of peasantry towards the land: they didn't consider the *kolkhoz* land as "their own", but of the state, i.e. "another's". Only private allotments were taken care of, tilled thoroughly and they gave most of product needed to the family. Besides some product was produced on these plots for sale. Thus some sort of market mechanism was still preserved. This was especially true of Georgia and some other southern Soviet republics (see for more details 4.3.6.2. of this report).

3.3.8. WHITE-COLLAR WORKERS. Almost all the working population which didn't qualify under the categories of "workers" or "*kolkhozniki*" were considered "*sluzhashchie*" (white-colour workers). These were the people not engaged in manual work, from ministers and high-rank party functioners to accountants and type-writers. It is obvious that the people belonging to white-colour workers' category were not equal neither in wealth, nor in political significance. In spite of not being a formally privileged "class" (the latter being working class) their number was constantly increasing on the expense of workers and peasants. In urban areas they practically constituted the majority of population and even in rural area with the advancement of education and technological improvement, which permitted less people to be engaged in manual work, the number of teachers, nurses, clerks, managerial workers, etc. was becoming more significant.

3.3.8.1. *Intelligentsia* is one of dubious terms actually introduced in the Russian Empire when it described the rather small in number social group of people with higher education (until 1860s they usually were of aristocratic origin, but later could have had origin from lower classes as well). They actually played the role of intellectual elite in Russia proper and its peripheral parts with non-Russian population. Difference of *intelligentsia* from the uneducated mass of population was enormous.

3.3.8.2. In the Soviet period the same meaning of the term was maintained, but usually mentioned as "working *intelligentsia*" to stress its contrast with the older one composed of the descendants of "exploiting classes". In Georgia rather small in number old *intelligentsia* in the process of

social change of the 1920s-1930s was mostly supplanted by the new one, predominantly of peasant origin, but as a model of behaviour and style of life still served the old one.

3.3.8.3. Actually the Soviet *intelligentsia* didn't constitute a single social group. There were serious differences within this "layer". Only the scholars, higher educational institution professors and lecturers, artists and writers were referred as "*intelligentsia*" proper (or "scientific and artistic *intelligentsia*"). They were respected, sometimes even became the object of high regard from the common people (especially this is true of the smaller Soviet nations, including Georgians, for whom the ethnic *intelligentsia* was a bearer of national idea and a sort of a symbol of nation's integrity). If the representatives of *intelligentsia* held higher occupational positions their salaries were higher (until the 1980s even substantially higher than salaries of the other social groups) and Communist Party favoured them if they were loyal enough to the latter.

3.3.8.4. There were also "*intelligentsia* of mass professions" (schoolteachers, medical workers, other professionals), "technical *intelligentsia*" (engineers), etc. But not all of them could reach the elitary level to be specially supported by the Party. Ever increasing number of people with professional training, especially since the late 1970s, preferred to do some blue-collar jobs (officially forbidden, as "the State paid for preparing the specialists!"): it was more profitable for a man with diploma of the higher education in his pocket (that formally made him an intelligent and permitted to seek for promotion) to be a taxi driver or to serve in the wholesale store, than to be a schoolteacher.

3.3.9.1. THE RULING CLASSES. "Classes depend on economic differences between groupings of individuals - inequality in possession and control of material resources" [Giddens, 1988, 208]. Actually neither of two classes or even high-rank *intelligentsia* in the USSR (and in the Georgian SSR, naturally) possessed anything apart of personal belongings (a house and a car being the most expensive items). The land, mineral resources, factories, etc. belonged to the State. The State was run by top executives of the Communist Party, who directly controlled productive resources. Thus the real ruling class in the Soviet Georgia, as elsewhere in the socialist countries, was partocratic *nomenklatura*. It must be stressed that the role played by *nomenklatura* cannot be evaluated only from one - negative - side. To some extent they maintained stability and played an important role in the nation-building as well (see 3.4 of this report).

3.3.9.2. Managers of the state-owned industrial and agricultural enterprises were recruited from the Party functioners. A standard process for a young determined person who had a desire of promotion was starting as a Komsomol (Young Communists' League) functioner, later being promoted to the Communist Party local, district, city, regional, central bodies (Committees) and with acquiring more experience (higher education being one of major prerequisites - hence its exclusive social prestige) becoming high rank manager of an industrial enterprise, state company, ministry, etc.

The *nomenklatura* - high rank Party functioners along with the above-mentioned managers - became the foundation of the ruling class in the USSR (the process was practically universal in all the Soviet republics).

3.3.9.3. These managers theoretically could work only in the conditions of one-party rule and the state-ownership on everything. But actually some of them proved to be able enough to get accustomed to market economy. This can be explained by the factor of the so-called "shadow economy" in the USSR. From the mid-1950s in Georgia (and in the USSR as a whole) the "shadow" (or second) economy began to appear. As there was permanent deficit of quality consumer goods on the Soviet market some active people started to produce them according to western models in the formally state-owned but in practice private enterprises: actually these were quite well-equipped separately located workshops (*tsiekh* in Russian and the owners called *tsiekhovik*) or just a part of a state factory which produced some additional and better product without stock-taking. Services were rendered in a similar manner as well. As such "shadow businessmen" had to pay no official taxes and operated on the huge market without any real competition they could have gathered quite a fortune (especially - in the southern Soviet republics where state control was weaker). On the other hand the appearance of large illegal capital gave rise to organized crime. So-called "thieves-in-law" controlled these businessmen while also protecting them from the other racketeers [Rusia, 1997].

3.3.9.4. Actually many representatives of the partocratic elite were also involved in this action in the sense that in exchange for part of profit they covered unofficial production, ordering law-enforcement bodies not to interfere. A sort of "Iron Triangles", shadow businessmen-criminal world-partocracy, had been formed. Georgia became one of the "strongholds" of such "triangles" in the 1960s and retained its prominent role in this respect until the dissolution of the USSR.

3.3.9.5. Several efforts to demolish these illegal links (in Georgia in the mid-1970s, in the USSR as a whole - an abortive attempt under Andropov in late 1982-83) led mostly to a superficial effect: the shadow businessmen went underground or simply "improved" documentation (so-called "left production" which was a non-registered part produced in the state enterprises above the official plan became widespread practice). In many cases the place of criminal world in these "iron triangles" went to the representatives of the law-enforcement agencies. But the major role was retained by partocracy. Population was mostly aware that there exist clandestine economic bosses who are supported by the Party officials.

3.3.9.5. Such an economy existed almost in all the USSR, but with variations, naturally. E.g. in many Central Asian republics the role of partocracy was even more profound and there was relatively small involvement of criminal world while the law-enforcement agencies had much stronger grip on the society. This situation affected the social change in the post-Soviet space as well. In the

NIS where partocracy was stronger, no real democratization is going: local Communist Party leaders changed the names of "their" parties and retained power together with old officials (in more details this is discussed in 3.4).

3.3.9.6. The example of Georgia is somewhat different. As the role of the Communist Party of Georgia sharply diminished in the end of the 1980s, political pluralism became possible. Georgian society got accustomed to the latter relatively easier than in the NIS where old regimes just changed name. Besides the population with quite a high educational level proved to be better used to some democratic values (see Chapter 5). But parts of the former "triangles" retained political power for time being and their representatives, especially the younger generation of the former Communist Party and Komsomol leaders, acquired large amount of wealth through privatisation.

3.4. Ethnic elites within the social structure and their role in the nation-building

3.4.1. It can be argued that dissolution of the USSR started not with the Gorbachev's "*perestroika*" (reform) but in the long years of the Brezhnev's "*zastoy*" (stagnation), when regional ethnic partocracies were finally shaped. The local leaders had an opportunity to stay at the helm for decades and to reorganize whole system of national cadres. Even if the First Secretaries were changed the same *nomenklatura* mostly remained at the helm.

3.4.2. Communist Party republican organizations (e.g. the Communist Parties of Uzbekistan, of Georgia, of Armenia, etc) played dual role under the Soviet power: on the one hand they faithfully fulfilled the intrinsic policy of CPSU which was to be aimed at the merging of all the Soviet nations into one, presumably Russian-speaking, entity. On the other hand the local party leaderships followed a Communist doctrine of "developing the culture of every Soviet people - national in form and socialist in content". The "form" (national literature, art, festivities, etc) seemed much more understandable to common people and diluted the above-mentioned rather vague "content". The latter role of the local Party organizations implied support of a certain national idea and, in the end, practically helped in building the nations.

3.4.3. There existed only one real elite within the Soviet republics - the *nomenklatura*. No real counter-elites were allowed to emerge in the USSR, while those existing before Sovietization had been mostly uprooted in the 1920s-30s (in the case of the Baltic states - the 1940s). This situation produced a controversial common feature of development in almost all the NIS: the burden of the "nation-state" building is to be carried by elites that were brought up under the all-Soviet ideology.

3.4.4. Since independence was acquired in a peaceful manner the local Communist Party *nomenklatura* retained power in many NIS. The names of the former Communist Parties in most cases changed to something like "Democratic", "Socialist", "Social-Democratic", "Popular", etc. (in most

NIS, with the exception of the Russian Federation, the name - "Communist Party" - had been retained by marginal groups of predominantly elderly hardliner Party members).

3.4.5. Where the former Communists retained power uninterrupted (as in most Central Asian NIS, some areas within Russia proper, Byelorussia, etc.) they didn't change their style of government as the bureaucratic and authoritarian mode of operation proved to be the most convenient way to stay at the helm. They usually resist privatization justifying this by the populist approach to social justice, but doing this actually to stop the appearance of the new elites who may become their rivals. Real democratization also proves to be dangerous to the old partocracy.

3.4.6. The old elites retained power with relative ease in many NIS as in no Soviet republic there existed a strong enough counter-elite, economically independent from the state, capable of taking the power away from the Communists and holding it stably in their hands. Even in Georgia, one of the rare Union republics where the Communist party was legally beaten by a nationalist bloc in the earliest multi-party elections to be held in a Soviet republic (see 4.4 of this report), the inexperienced newcomers to politics couldn't keep power for a long time and in January 1992 were driven out by force by their own rebelling fringe, who were, nevertheless, supported by large segments of the Georgian and later were again substituted by some members of the old *nomenklatura* (not any more under the name of the Communists!). But political plurality in Georgia was maintained and the new political forces are formed here relatively faster than in most of the other NIS. This helps the democratization of the society.

Chapter 4.

FACTORS OF CHANGE OF SOCIAL STRUCTURE AND THE PROCESS OF DEMOCRATIZATION IN GEORGIA

4.1. Introduction.

4.1.1. There are obviously several factors that affect the possibility and degree of progress of social change in different socio-economic environments. It was considered worthwhile to analyze the impact of education, process of privatisation and development of political pluralism in Georgia as the factors of change of social structure (including social mobility) and democratization.

4.2. Educational patterns

4.2.1. Education plays an important role in the social development of the population. Georgia until recently had rather high standard of education. This affected the social structure.

Under the Soviet power in Georgia as well as in the USSR as a whole there existed more egalitarian approach to education that permitted quite an intensive process of upward social mobility

to occur: this influenced the emergence of the new Soviet elites, which were of working class and peasant origin. But later the representatives of these elites started to reproduce themselves: i.e. their children remained at the helm and to some extent blocked social mobility of the other young people from lower classes. To some extent the Soviet elites became more closed.

4.2.2. It can be argued that socio-cultural potential is one of the most important factors of the development of the New Georgia, which has substantial pluses from this point of view - among them the high rate of education being the most feasible: more than a tenth of employed population had higher education, and almost the same proportion - incomplete higher, general secondary and secondary technical education. This achievement might be attributed to the Soviet power which from the first years of its existence had undertaken energetic steps to eradicate illiteracy and to make available free secondary and higher education to all the layers of population. But in the case of Georgia it must be added that similar measures were undertaken already by the government of the independent Georgian Democratic Republic (1918-1921) when the State University was established in Tbilisi (1918) and more than a thousand of primary and secondary schools were opened in the different parts of the country. The Bolsheviks which had forcibly taken the power in this country (February, 1921) did nothing but continued the same policy.

4.2.3. State-owned higher educational institutions in the major cities of Georgia (in 1990 eleven of them were in Tbilisi, among them the most prestigious - Tbilisi University, two in each Sokhumi and Kutaisi, and one - in each Batumi, Tskhinvali, Gori, Telavi: the data are as of at the beginning of 1990) had radically changed social structure of the population. According to the data of the 1989 Population Census in Georgia there were 350.1 thousands of persons with higher education (in 1980 - 285.4 thousands). To compare, the total population of Georgia in 1989 was 5.4 millions and those employed accounted for 3.3 millions [Persons with higher and special secondary education employed ..., 1990]. Some educational institutes were recently converted into the universities and by 1996 there were eight state universities and more numerous private ones. The turn to market economy affected the appearance of a number of new private institutions of higher education, which theoretically were giving more opportunity to the new seekers of higher education, but in practice made education even more elitary, because of relatively high cost of tuition.

4.2.4. In 1985-1990 15.5-16.5 thousand persons with higher education were graduating from the Georgian higher educational institutions annually [Georgia in figures, 1991]. Absolute majority of them started to work in Georgia (emigration was relatively low in those days).

4.2.5. Persons with higher education constituted a specific social layer within the society of Soviet Georgia: they held higher positions in the "*nomenklatura* hierarchy" (the same was true of all

the other Soviet republics). This contributed to high prestigiousness of education in Soviet society as a whole, notably in southern republics, Georgia not an exclusion.

4.2.6. Free higher education contributed to the intensive social mobility, especially in the 1930s- early 1950s, when large number of *intelligentsia* mostly of peasant, rarely - of working class, origin had supplanted the tiny old one of predominantly aristocratic origin. But later a tendency of self-reproduction of the higher social layers with better education became apparent. The Communist Party intervened periodically in this process. E.g. under Nikita Krushchev, as the actual head of the state, in the early 1960s it was introduced the rule according to which the higher educational institutions accepted predominantly (none less than 80%) the persons with at least two years of labour in a factory, *kolkhoz*, or after the military service in the armed forces. The above and similar rules introduced later were aimed at giving a possibility to the people with lower education to participate in social mobility, as those who already acquired higher education tended to give the latter to their children. Actually these sort of restrictions didn't result in the intensification of social mobility, but rather caused a certain lowering of the educational standards of the students and the appearance of the new methods of corruption.

4.2.7. Even if real knowledge of quite a few of the "higher education diploma-bearing specialists" was not equal in all the higher educational institutions, the behaviour (e.g. demographic, economic, electoral, etc.) of these persons differed from that of the social groups with a lower level of education. E.g. in Georgia family planning was first of all typical of the persons with higher education and later this influenced all the other social groups of the Georgian society (as far as every family dreamt of giving their offsprings an university education large number of children became restrictive to the achievement of such a goal). During the multi-party elections of the 1990s the better educated voters proved to have more flexibility in expressing their free will while those with lower education might have been easier manipulated.

4.2.8. Achieved educational level permits Georgia to have a relatively large and well-prepared intellectual elite ("*intelligentsia*"). Although above-mentioned definition of this term is rather vague (hardly all the people with the higher and special secondary education can be considered as *intelligentsia*), but there exists a large enough basis from where the new intellectual elites could be recruited.

4.2.9. Another advantage of the specific social structure of the population of Georgia is relatively easier adaptability of the latter to the "western style of life". This more applies to the dwellers of large cities and those with better education. The belonging of most of the Georgians to the Realm of Christianity makes them to consider their country as "part of Europe". It must be noted that from political-geographical viewpoint all the Transcaucasus should be treated as part of Europe.

4.3. Process of privatization in the 1990s

4.3.1. P r i v a t i z a t i o n is entirely a new phenomenon to Georgia (as well as to all the other post-Soviet states). During the seven decades state owned everything in the Soviet Union and all the industrial or infrastructural construction was carried out by the state companies (actually - by the economic branch ministries).

4.3.2.1. Although a certain social injustice obviously followed the privatization in Georgia (and, most probably, in the other republics as well), leaving everything in the hands of the state might have been even worse social injustice, as actual, although unofficial, owners would have remained the bureaucracy and state-nominated directors. The well-known and rather prolonged experiment with "planned economy" also caused many social problems earlier. E.g. under the Socialism retail trade was the major stumbling block in the social development. In the early 1990s trade still was under state control in Georgia and this almost lead to mass starvation. Bread and other staple products were rationed and this apparently enriched the people in charge of their distribution: it was often mentioned the existence of "bread mafia", "petrol mafia", etc., implying those responsible for distribution of certain products, who didn't do their job honestly; although it can be disputed was it true or not to name these managing bodies "mafias", it is apparent that there existed groups which had official monopoly power over bread, flour, petrol, etc. distribution, but failed to do this to common satisfaction. As a result there were long queues and common resentment.

4.3.3. The privatisation of retail trade enterprises and freeing prices on all products and services in 1994-95 solved the problem of supply of consumer goods very soon. For instance in Tbilisi, the capital city of Georgia, with population of over 1.3 millions (who possess at least 100 thousand private cars) until 1992 there were only 20 petrol stations. In 1992-93 most of motor vehicles were not used because of lack of petrol, public transport almost disappeared. This caused severe social and economic problems. But after the privatisation of these stations and the permission to open new, private, ones, more than 500 petrol stations sprang up in a few month time, without any extra financial burden for the state budget. The problem of transport had been solved. Besides, these new stations have given employment to at least seven thousand persons.

4.3.4. The process of privatization proved to be difficult and easy at the same time: difficult - to maintain equitability to all the citizens and to all the employees of an enterprise, and easy - within the whole society (as far as nobody knew to what part of the national pie he/she was entitled, there were not a lot of objections to the privatization on a whole). Such "easiness" permitted the people at the helm to acquire substantial wealth that apparently was produced by the means of the others as well. There is stable public opinion that several people, mostly those in local government, acquired most of the assets of the more profitable enterprises and real estate. Although it is difficult to prove

this legally, some indirect evidence is in favour of such a judgment. A new social layer of rich people appeared, which will reveal itself in the foreseeable future.

4.3.5. The easiest thing was the privatization of the urban housing formerly belonging to the state (municipality) or to the cooperatives. Privatization of housing occurred in Georgia in 1992-1993. The Military Council which took the power after the coup ("democratic revolution") in January, 1992, almost immediately decreed the tenants of the state-owned apartments as the sole proprietors (a token sum was needed for registration). Although this was aimed as a populist measure, it proved to be quite a wise one, as practically extinguished the ground of corruption which flourished under the Communist and early nationalist (1990-1991) administrations: in those times the impossibility of legal selling or buying of housing produced a lot of illegal ways to evade the law, for a substantial bribe, naturally. After the privatization of housing its normal market appeared for the first time after the 1910s. At least 300 thousand urban households became property-owners in this country. In rural area the housing always was the private property.

4.3.6.1. Another sphere where privatization is very urgent is agriculture. Whereas in most of Russian Federation (apart from north Caucasian republics) the process of land privatization can be carried out practically without serious problems of natural character (land is in abundance, while rural population dwindling) in Georgia there are serious geographical obstacles - farmland area is small in size (mostly due to the rugged surface), while rural population is relatively. There is one more obstacle of legal character: no possibility of restitution - "just to return land to its old owner" - as it happened in some Central European states after their return to the market economy, where collectivization was carried out 25-30 years later than in the USSR and where former landowners mostly retained their documents. In Georgia (as well as in most the other NIS of FSU) the largest part of farmland before the collectivization didn't formally belong to the peasants: most of the latter were given nationalized land as the tenants under the land reform of the early Communist state. The land for this purpose had been confiscated from the landlords, merchants, Tsar's family, private banks, the latter bodies legally no more existing. Peasants mostly had no documents of land owning. Later collectivization followed which mixed all the properties. After at least six decades the original landowners mostly are not alive. Under such circumstances the restitution became impossible and the new redistribution of land is needed.

4.3.6.2. Within the USSR Georgia actually possessed unique climatic and soil resources for producing quite a large amount of specific agricultural crops. Because of the closed character of the Soviet economy, the geographical location of the Transcaucasus (Georgia included) at the northernmost edge of the subtropical belt proved to be a real advantage: there was no real competition to the agricultural products of the area (tangerines, tea, tobacco, grapes, many other fruit, early potato,

vegetables, etc.). This permitted the rural population of Georgia (as well as that of neighbouring Azerbaijan, to lesser extent - of more mountainous Armenia, having harsher climate), by selling their products from small personal plots on the huge Russian market to achieve the level of welfare unaccessible to most of the rural population living to the north, within the Russian Federation. Mostly because of such a possibility of marketing under inefficient planned economy the villages in Georgia, especially those in the lowland areas, didn't depopulate: it was economically profitable to remain on the land (even if the personal plot was small in size). Therefore the formal level of urbanization in Georgia (56% according to the last Population Census of 1989) was significantly lower than that in the USSR as a whole (66%). But the loss of huge Soviet market in the 1990s makes Georgian agriculture vulnerable, especially if land reform will go towards achieving short-term social goals - distributing small plots of land to the peasants, instead of achieving long-term economic goals by the stimulating of the efficient large-scale farm production.

4.3.6.3. In the 1990s there were some efforts to privatize land in Georgia, with short-term social goals. But even so the results are not sufficient as yet. According to the Decree No 48 of the Cabinet of Ministers of the Republic of Georgia, issued 18 January 1992, land of up to 1.25 hectare, which was earlier allotted as a private plot to the citizens of Georgia working in a *kolkhoz* or *sovkhoz*, had been considered to be their private property without any compensation. If land allotment was less in size, the household could have applied to enlarge it up to 1.25 ha. The households which resided in rural area, but were not engaged in a job for an agricultural enterprise, were entitled to apply for 0.75 ha. The urban dwellers could have applied for 0.25 ha of rural land (free of charge).

4.3.6.4. The initial plan envisaged the fulfillment of the land redistribution in an year, but actually this process is not finished everywhere even after five years. The total privatized area accounts to 11% of the agricultural land. In Abkhazia, a separatist region of Georgia under rebellion, land privatization didn't even start.

4.3.6.5. Earlier it has been recorded that 625 thousand hectares of land were privatised by November, 1993 [Social-Economic, 1994, 23] despite the Law of land reform not adopted as yet. Actually this was the size of private allotments in rural area. It is apparent that a sizable number (none less than 500 thousand) of small peasant farms sprang up with marketability, obviously, less than in larger capitalist farms.

4.3.6.6. At the moment the privatized land helps to maintain the very lives of the rural dwellers and to a substantial extent helps many city dwellers as well (some of whom migrate to rural areas, at least seasonally). But in long term perspective the persistence of the large in number, but relatively poor and numerous peasantry may affect the pace and peculiarities of social change in Georgia. At the moment legal base is not ready to permit free selling of farmland, to say nothing of

urban land, which is not privatised as yet. It can be predicted that as soon as a relevant legal base, transforming land into a commodity, will be in operation, a real social change will start in rural Georgia (providing that this is accompanied with overall economic revival of the country). As the rural households of the ethnic Georgians are usually small, there will be less difficulty in the restructuring of workforce and amalgamation of land through purchase that will make farming more efficient. And inevitable change in the social structure of population will follow.

4.3.7.1. Privatization of the state industrial and service enterprises started in Georgia in March 1993 after the Cabinet of Ministers issued several decrees to implement the Law of 9 August of 1991 on the privatization issues. Nevertheless the legal base was not sufficient. In addition civil wars were still raging in Georgia in 1993, criminal gangs in some areas actually held all the power, there existed no national currency and a surrogate money ("coupons") was diminishing in purchasing power almost every hour. This caused a lot of infringements, including direct criminal seizure of state property by the people, not entitled for this. In the following years, especially since the end of 1995 the situation for more or less fair privatisation had been improved. Shares of some enterprises, earlier taken over in an odd (if not criminal) way were redistributed. According to Human Development Report of Georgia, now there are a total of 17 Decrees by the Head of State and 45 resolutions of the Cabinet of Ministers forming the legal base for this process. Since 1993, all executive functions as regards the privatisation process and development of its normative base have been delegated to the Ministry of State Property Management (MSPM). The role of foreign assistance, especially TACIS, the World Bank and a number of other organizations is considerable [Human Development Report, Georgia, 1996, 55].

4.3.7.2. The fastest the process of privatisation passed in service sector (including retail trade) where by the end of 1996 total of 5551 enterprises (97% of those approved for privatisation) became private property. In solving the social problems especially important appeared to be the privatization of small enterprises. More difficulties followed the sale of shares in medium and large-scale enterprises. An essential feature of mass privatisation of the above enterprises was issuing privatisation vouchers for each citizen of Georgia (including children) with a face value of \$30. These vouchers were negotiable, could have been freely bought and sold and represented in total c. 35% of value of the enterprises to be privatised. When voucher auctions finished on 30 June, 1996, it was announced by MSPM that over 400 thousands of individuals became official share-holders of Joint-Stock Companies and other enterprises. Claiming by MSPM that "a layer of private owners (over 400 000) had been formed" in Georgia [Problems of Privatisation..., 1996, 21] seems a certain exaggeration, as not all the share-holders can benefit at the moment from the enterprises which they "own", but which do not operate, first of all because of lack of capital. On the other hand, it is clear,

that quite a large number of households (although apparently less than "400 thousands") may become beneficiaries of private enterprises in the future. Of course, there are still a lot of implications for fairness and social justice: as it was noted "part of information problem arises because insiders have an incentive to conceal both the true performance of the firm and their assessment of its future prospects...By limiting outsider participation, managers and employees [of small enterprises] can preserve control and employment and achieve ownership more cheaply...For larger enterprises, the future prospects of managers and workers will depend on their ability to attract outside investors and new sources of finance" [Human Development Report, 1996, 57]. Nevertheless the process of change of the social structure through state enterprise privatisation is obvious.

4.3.7.3. On the whole, mass privatisation, although its process is rather sluggish, will produce a new class of the owners, part of which will become "middle class". As Gregory Andrusz noted "Governments and international agencies, such as the EU's PHARE and TACIS programs, the USAID and British Know How Fund, are providing substantial grants in the form of technical assistance. The underlying philosophy of these projects is that a transfusion of the spirit of capitalism is required; and nowhere is that ethos more likely to be cultivated than in the sector of small and medium sized enterprises" [Andrusz, 1996].

4.4. Political culture in transition

4.4.1. As it had been mentioned above Georgia began its move to democratization with implementing political pluralism. No doubt, that each election carried out democratically in the NIS, contributes positively to the changes in political culture. On the other hand it is doubtful whether there is a positive correlation between the voting for certain parties and the social structure of the electorate, as, first of all, this very structure is not yet crystallized, and, secondly, most of Georgian political parties have not yet formulated their distinct programs aimed at different social segments of the society.

4.4.2. Already before the dissolution of the USSR, in October 1990, first time in any Soviet republic, a multi-party election had been held in Georgia (in the Baltic republics elections were carried out even earlier, but all the candidates there were independent - no parties, except the Communist parties of a respective republic, participated in the elections). 11 parties and electoral blocs contested 125 seats by the party lists and 125 single-mandate constituencies in the 1990 parliamentary election in Georgia. Turnout was 70%. Most of the electorate voted against the Communist Party securing the decisive victory for the major opposition (nationalist) political force. In most of the regions settled by the ethnic Georgians the electorate indirectly voted for the independence of Georgia. In some areas regional votes mostly went to the ruling Communist Party merely with the hope of "no

changes": to a much extent this was the cause of voting for the Communists in the areas with the ethnic and religious minorities.

4.4.3. After the military coup (January 1992) happened and the parliamentary election of 11 October 1992 was carried out the call for more democracy became sounder. The interim Parliament adopted the new Constitution of Georgia in August 1995 and introduced the new Law of Parliamentary Election.

4.4.4.1. In the 5 November 1995 parliamentary election in Georgia 54 (sic!) electoral blocs and parties contested for 150 seats by the party lists and for 85 single-mandate constituencies. The foreign observers considered the election to be generally free and fair, although the local observers were more critical of it. Yet minor violations didn't affect the results to any serious extent [Election of Parliament and President..., 1996]. Turnout rate was 69%. The Autonomous Republic of Abkhazia (with 9% of the total population) controlled by the separatists since late 1993 didn't participate in the election. But over half of its (mostly ethnic Georgian) electorate cleansed from the province (IDPs) voted by party lists in the areas of their temporary residence in the regions of central Georgia.

4.4.5.2. This time almost half of the electorate, after experiencing the actual absence of law and order and economic chaos caused by the civil wars of 1992-93, in spite of the serious mistakes of the acting government, voted "pragmatically" for the moderate politics. This secured the absolute majority by the party lists (proportional system) for the three parties: the Citizen's Union of Georgia (by its program actually the left of the centre party), its temporary ally - All-Georgian Union of Revival (the only successful regional party based mostly in the south-western Autonomous Republic of Adjara) and the leading party right of the centre - National-Democratic Party of Georgia.

4.4.5.3. A relatively negative outcome of the voting by the proportional system was that more than 60% of the votes were dispersed among the small parties, which couldn't get over the 5% barrier introduced by the electoral law (adopted earlier with the consent of these very parties). On the other hand there was a notorious experience with the previous parliament where MPs from 26 different parties were present that made the Parliament's efficiency rather low.

4.4.5.4. Voting by first-past-the-post system brought slightly more success to 6 smaller parties as well as 30 independent candidates, who mostly proved to be rather moderate, non-radical. Leftist and rightist radicals had no success: no nationalist and Communist parties got any seat in the parliament. On the whole, the moderate attitudes dominated during the election. The composition of the Parliament appeared to be relatively young and the major posts went to the people, who never belonged to the previous, Soviet elites. According to the performance of the Parliament it is dedicated to carry out market reforms and stimulate the real, progressive social change.

4.4.6. The presidential election (held along with the parliamentary one) gave 74% of the votes to the incumbent, Edouard Shevardnadze, whose major rival was a leftist candidate. Leading motives of such a choice, according to the opinion polls, carried before and after the election, were the belief in the maintaining of the steady course of state-building, rule of law, order - under the leadership of the incumbent, and - even more - the fear of political destabilisation in case of a radical candidate's victory. On the contrary, the incumbent's program, promising to fasten market reforms, the latter not entirely understandable to the majority of electorate (see below) played a lesser role in this choice.

4.4.7. Due to the short period of partisan politics and unshaped social structure in the society under transition political parties rarely, if ever, present any particular social group. But it can be traced that, in general, "middle-class" voters, males, persons with education above secondary had shown more dedication to the freedom and order than to the equality in the 1995 election in Georgia. Ethnic minorities, poorer people, females voted mostly for order and equality. [Gachechiladze, 1996]. In spite of general economic plight and serious setbacks of the government relatively smaller part of the electorate expressed its wish to "return to the past" by voting for the parties that advocated the restoration of the former regime. It must be added here that according to the Georgia Poll, 1996 more people (59%) disagreed rather than agreed (38%) with the statement "I would rather go to the certainties of the old system than continue with change".

4.4.8. Recent political and economic developments in Georgia marked with a relative success on the way of reforms and political stabilization, along with some external factors (e.g. closer relations with the EU, the USA, NATO) contribute to certain changes in the political culture of the Georgian electorate that can be characterized as a beginning of a certain shift from "romanticism" to "pragmatism". This will lead in the end to the overall democratization of society.

Chapter 5.

PUBLIC OPINION SURVEYS AS A SOURCE OF STUDY OF SOCIAL STRUCTURE AND DEMOCRATIZATION

5.1. Introduction

5.1.1. As it was mentioned above there were included some additional questions in several surveys carried out by the Department of human Geography, Tbilisi State University. These questions intended to:

- a) evaluate public opinion of democratic values, and
- b) to assess some changes occurring in the social structure.

It appeared a bit easier to achieve the first goal than the second one, mostly because a longer time is needed to monitor the changes in social structure of population. Nevertheless there are some encouraging results which give a possibility of analysis.

5.1.2. From the different surveys the most valuable appeared to be two:

- a) Study of Democratic Values (1995), and
- b) Georgia Poll, 1996: Socio-Economic Situation in Georgia (1996).

In both cases representative samples were interviewed (in case of Study of Democratic Values - 1003 respondents in the capital city of Tbilisi; in case of Georgia Poll, 1996 - 1021 respondents in 15 Primary Sampling Units in Georgia).

Final results of the both surveys are attached (in case of the Georgia Poll, 1996 only the questions relevant to this project were printed out). Below is given a short analysis of the results of each of them with some inter-comparisons.

5.2. Democratic values

5.2.1.1. A general view which can be perceived from the Study of Democratic Values in the city of Tbilisi is that the urban population is divided on the issues of democratic dilemmas and often "contradicts" itself.

E.g. on the one hand the answers show that conflict between freedom and equality in some cases is decided mostly in favour of equality, but on the other - in favour of freedom (the idea of such a comparison belongs to Janda, Berry and Goldman [Janda et al, 1997]). Thus, majority consider that,

- the government is responsible to guarantee a minimum wage covering people's real needs (74% support the idea, while 15% - oppose),

- the government must interfere in the process of distribution of wealth (53% support this idea, while 32% - oppose),

- the government is responsible to guarantee everyone with work (49% support the idea, while 43% - oppose);

It appears that the latter is a fairly stable opinion: in the Georgia Poll, 1996 it was considered by 54% of respondents, that "everyone should be guaranteed a job" (as the rural population was also interviewed in the Georgia Poll, 1996, in contrast to the Study of Democratic Values, they contributed to a slight increase in the proportion of this answer; besides a promise of the Citizen's Union of Georgia, the ruling party, in the 1995 parliamentary election, was that the state will guarantee the creation of "one million jobs": this increased the public expectations). Yet 41% of the respondents in

1996 Poll preferred not to rely upon the others and suggested that "people should get jobs only if jobs are available and job seekers are qualified for them".

In the above cases equality appeared to be more important, than freedom.

5.2.1.2. However, in a number of cases, freedom used to be more important value than equality. Thus,

- 69% preferred private property, while 24% - collective. In this case it must be added that already in 1990, when the USSR still existed, 59% of those polled in Georgia (1500 respondents) supported private property as opposed to collective one [Gachechiladze, 1995]. In Georgia Poll, 1996 privatizing of state property was considered an important issue by 55% and not important - by 29%;

- 64% considered a preferable type of economy one with free prices and manpower market, while 27% - one with fixed prices and guaranteed job;

- for 61% freedom represented a higher value than economic equality, for 22% - vice versa;

- 53% considered that more economic freedom for individuals will normalize economy while 30% opposed this idea;

- 50% didn't consider that current economic situation warranted government price regulation (30% were of the opposite opinion, while 20% didn't know).

5.2.1.3. Actually there is no real contradiction: most of people (at least in the capital city of Georgia) would like to live in a society where they could own private property and have more economic freedom. This obviously might have achieved only as a result of economic reform. Even those which seemed to be very "collectivistic", would like to have their own property. 24-29% of the population, who oppose privatizing and prefer collective (actually state) property, really mean that state-owned large industrial enterprises couldn't not be easily converted into the private ones without additional social problems. The respondents fear, for quite good reasons, that change of property type and the move to more efficiency may lead to the redundancy of a lot of workers (including themselves). Of course, the actual close-down of the factories occurs not because the private owners may be "cruel, greedy or careless", but because the economic situation changed almost completely: in the Soviet times the output of these factories was aimed for the market which doesn't exist now and hence production now is almost useless. But a lot of the respondents, among them the majority representing the working class, still see the problem in the ownership.

5.2.1.4. Moreover, the real impoverishment of the population leads to the complaints towards the state which during the seven decades was the sole body responsible for the payment of salaries and for all sorts of supplies for the population.

These complaints resemble, to some extent, the situation in the other NIS, although there the proportion of those who object the privatization, private property, or economic reform, and demand the government's more involvement in the social issues, well exceeds 50% (unlike Georgia, where the proportion is much below half). E.g. in Russia it was revealed that "the strong support for governmental social guarantees is a typical trait of mass consciousness of Soviets, based on traditional Russian preference to egalitarian norms and collective values. This attachment could not change in a short time due to the great inertia of mass consciousness. Polls register that the noticeable enrichment of some occupational groups and impoverishment of the others have actualized in public consciousness the problem of social justice. Watchful and even hostile attitude to those who, under new conditions, earn much more than the rest is spread among fairly large part of population" [Rukavishnikov, 1994].

5.2.2.1. Survey reveals that original dilemma of democracy - conflict between the values of freedom and order - are quite often decided in favour of freedom. Thus,

- 75% didn't support the right to search and/or seize private property without a warrant (17% - supported);

- 71% didn't support the idea of firing a communist teaching in high school (22% - supported);

- 69% didn't favour a policy requiring the workers to be tested on illegal drugs use (25% - favoured);

- 64% supported the freedom for a pregnant women to obtain a legal abortion (26% - objected);

- 49% didn't support the government's right to ban strikes during the periods of serious disorder (41% - supported);

5.2.2.2. Yet in a number of cases the people preferred order. Thus,

- 69% preferred to live in an orderly society;

- 68% favored death penalty for premeditated murder (25% - was against death penalty in any case);

- 54% was in favour of limiting mass meetings and demonstrations while 36% was against such a right of the government;

- only 38% considered competition among political parties to help normalization of political process, while 46% were of the opposite opinion and the rest 16% had no opinion.

5.2.2.3. Such attitudes were predetermined by current (in 1995) situation in the country where disorder, high crime rate and civil unrest (including civil wars) of the previous years were the major menace to the normal functioning of the society.

As for the underestimation of importance of party competition for democracy, the people were probably influenced by an obvious example of the multi-party parliament (of 1992-1995) whose sessions were televised live and which for a long time couldn't achieve consensus and didn't look as a real factor of normalization of political process. Nevertheless more than a third part of the respondents (over half - among the people below 35) considered multi-party system as a necessary component of a democratic system. Since the last election (November, 1995) which gave life to a much more efficient (again multi-party) parliament, the faith in the importance of party competition by all means increased.

5.2.2.4. Many questions in Georgia Poll, 1996 somehow resembling the above questions, their wording and answer categories substantially differed. Thus comparisons are limited. Nevertheless it is clear, that e.g. controlling of crime, maintaining order in society were again important problems for the absolute majority (over 90%).

It is of utmost importance that attitudes of population towards democratic values are positive. Thus,

- 78% considered it important the increasing of level of personal and political freedom for people;

- strengthening democracy was favoured by 70%;

- encouraging the development of new private business enterprises was important for 70%.

Such answers seem to be encouraging for the process of democratization proceeding in Georgia.

5.3. Economic issues and their influence on the social structure

5.3.1. When it concerns the economic situation, public opinion is rather contradictory. This is best revealed in the answers to the questions concerning economic reform and its pace.

5.3.1.1. Support of the economic reform, almost always revealed in the different polls carried out in Georgia must be considered cautiously. It seems that sometimes "overwhelming support" is based on a certain unawareness, although there definitely exists a "normal support" to the economic reform leading towards market relations.

5.3.1.2. In the 1995 Survey of Democratic Values of the urban population in the capital city the majority (72%) understood the necessity of economic reform, 14% were against the reform, and another 14% didn't know. An year later, in the Georgia Poll, 1996 (both urban and rural population surveyed) 59% considered it important "to continue the current course of reform" while 25% believed it to be more or less unimportant.

5.3.1.3. In the 1995 Survey 46% of the respondents evaluated the current pace of economic reform in Georgia as "not too rapid", while for 33% it was "too rapid" and 24% had no opinion. In Georgia Poll, 1996 the same question (but with another set of answers, that, unfortunately, makes them difficult to compare with those of the previous one) 52% considered that the economic reform in Georgia was proceeding "too slowly" (this mostly corresponds with the answer of previous Survey - "not too rapid"), 21% believed it was proceeding "at about the right pace", only 2% considered it "too rapid" and the rest 25% had no opinion (compatible with previous year's 24%). In both cases it is obvious that a majority would like the economic reforms to accelerate.

5.3.1.4. Still it seems that the above questions were rather hard to answer, mainly because the public is generally unaware what "economic reform" or "the pace of economic reform" mean. This is disclosed by the answers to the question, following one about the pace of economic reform, in Georgia Poll, 1996: "How well are you informed of the process of economic reform in Georgia?". The answers had shown, that majority was informed about this process "somehow" (31%) or "very poorly" (29%). Only 2% responded that they are informed "very well" and 11% - "somewhat well". 26% didn't know what to answer. Thus it can be argued that 60% of population, who confess rather poor knowledge of economic reform, evaluate the latter's pace.

5.3.2.1. The above answers are a result of a specific social structure and subsequent mentality, inherited from the Soviet times. But none less important a factor is the economic crisis which began in the end of the 1980s and dramatically aggravated since 1992, after the USSR dissolved. Crisis left many people unemployed or forced them to change their profession in a short time. Economic reforms, actually leading to the formation of market economy, is not understood by everybody. Nevertheless public consciousness feels that "something good may happen in future": e.g. in Georgia Poll, 1996, almost three times more respondents expected that economic situation in Georgia will get better over the next 12 months, compared with "the pessimists", who expected further deterioration of situation.

5.3.2.2. Therefore, public opinion in Georgia seems to be ready to support the reforms despite hardships. E.g. in the 1995 Survey a relative majority (36%) considered that "people can endure the grave economic situation until the reform is completed", while 30% believed that "people cannot endure any more". In Georgia Poll, 1996, 56% agreed that "putting up with hardship is necessary for future improvement" (35% believed that "this will not bring any improvement").

5.3.2.3. The majority appeared to be right: people actually endure the grave situation, but this costs them a lot. And this cost is the source of frustration. Market mechanisms are not easily understandable as yet. E.g. most of the respondents consider that the first obligation of a private company is to engage in social policy - provide affordable products for consumers (34%), or to guarantee jobs

for workers (24%). Although the latter goals also are among the ones of private companies they couldn't be considered as the first obligations before the shareholders. Quite a few of the public still cherish a thought of old categories and ascribe to the private companies the obligations, which "Communist propaganda" theoretically gave to the state ones (in practice the latter also were mostly established with economic, less - with social, aims).

5.3.2.4. The above reasons and the real economic situation in the country to a substantial extent explain why in the Georgia Poll, 1996:

- the majority (69%) would like the government to set prices for necessities if they begin to rise too high (this is the reflection of hyperinflation of 1993-1994, while in 1995-1996 inflation was very moderate);

- 64% disagree that they see personal opportunities as a result of the changes happening in Georgia (24% see these opportunities and they are predominantly young and better educated people);

- 68% agree that new economy has meant that dishonest people can make money without doing any real work (psychologically such an answer is easily explicable as "work" in the USSR was predominantly associated with "physical work" and the workers were considered to be the most important class: thus entrepreneurial work up to present may be understood by many as "doing no real work").

5.4.1. Previous surveys have shown that the respondents are rather reluctant to give exact data about their incomes and, quite often, when questions about incomes and expenditures were posed, the latter by and large exceeded (sic!) total household incomes. So, while implementing Georgia Poll, 1996 on Socio-Economic Situation, it was considered useful to give the respondents an opportunity to self-evaluate their household incomes in qualitative means and to collect information about different household expenditures in Georgian laris (GEL). The latter data were summed and level of the respondent's household expenditures calculated.

5.4.1.1. The Georgia Poll, 1996 data had shown sharp differentiation in the welfare of the population.

According to the self-evaluation only 1.4% considered themselves "very wealthy" or "wealthy". 4.2% - hold themselves for "above average" in terms of income, and the relative majority - 40.6% - "average". Altogether the above 46% of population might be considered as at least "not complaining" households.

However, more than half believed that their income is below average (26.3%), low (17.3%) or very low (10.2%). It is no doubt that many people in Georgia are impoverished, since average monthly wages in the state sector in 1996 varied between 27 and 45 GEL (\$21-35) and standard

pensions of the retired persons accounted to 8.5 Lari (\$6.5) [Social and Economic Situation in Georgia, 1996, 22], while a loaf of bread costed 0.4-0.5 GEL. Even if the self-evaluation was a subjective one, it displays real poverty.

5.4.1.2. According to the official evaluation during 1996 monthly subsistence minimum for a household of four persons in Georgia was 196.6 GEL. For a household of 5 persons it was about 215 GEL and of 6 persons and more about 300 GE [Social and economic..., 1996, 22-24]. Modal household in Georgia consists of 4 persons, mean - of 4.2, households with more than 6 persons being rare (about 5%).

Official statistics reveal that proportion of households whose income level was below the level poverty was 80% in 1995 and 65% - in 1996 [ibid., 25]. according to the same statistics the poorest 20 % received 2.7% of all incomes and the richest 20% - 57.9%.

5.4.1.3. Calculated data on the level of household monthly expenditures according to Georgia Poll, 1996, give almost similar results. The mean monthly expenditure of a household was found to be 223 GEL and the median 162 GEL. The Georgia Poll found that the poorest 20% of the population accounted for 4.1% of total expenditures, while the richest 20% accounted for 49.5%. Inequality according to income is likely to be significantly higher than that according to expenditure, since the richest are certainly not spending all of their income. 61% of median expenditure was on food: such a high proportion of the latter is also an indicator of poverty (according to official data spending on food in 1996 was 53%, a decrease from 62% in 1995 [ibid.]).

5.4.1.4. According to Georgia Poll, 1996 Monthly household expenditures over 600 GEL were reported by 6.5% of those 645 respondents who gave full answers (4.1% of all the respondents). These households were considered to be "very wealthy" by contemporary Georgian standards as they could spend at least twice as much than subsistence minimum. Obviously if a household may afford spending more than 600 GEL per month, its income may be even more.

Household expenditures between 451 and 600 GEL (6.7% of the reporting and 4.2% of all the respondents), well exceeding subsistence minimum, and those with incomes of 301-450 GE (respectively 15.7% and 9.9%) were considered to be "wealthy" and "above average".

The above-mentioned three categories, comprising from 18% to 28% of the households could be considered as more or less well-to-do. Thus about a quarter of population is really able to cope with the difficult economic situation. These are the people who may form in the future a "middle class" although this must be investigated in more details again.

Well below the latter, but still over the brink of poverty are the categories of "average" (201-300 GEL of expenditures) and "below average" (101-200 GEL), who constitute from 31% to 50% of the households.

The rest of the households - from 21% to 50% - are in very bad economic condition. Such a situation may explain many of the answers discussed above.

Comparisons with previous years show slight improvement in the average living standards. However there hardly occurs any economic equalization.

5.4.1.5. As for the character of employment, the Georgia Poll, 1996 had shown that almost half (46%) of adult population (over 18) are employees, 6.6% - employers and 8.9% - self-employed. Earlier nobody would have reported about himself as an employer. Excluding the categories of pensioner, housewife and student the proportion of unemployed accounted for 14% of the potential workforce. This is quite a plausible figure notwithstanding that some other surveys had shown even more unemployed: actually many people had found at least some job. Still this is a very large figure which causes discontent and frustration on a large part of population.

5.4.1.6. The state sector (enterprise, organization) which engaged 31.6% of working population was already exceeded in importance by those in local and foreign-funded private sector (30.7% and 1.4% respectively). Private sector was providing higher wages and many people combined formal work in a state office or in a state-owned factory on the brink of closure (considering the latter just a hypothetical guarantee for the state pension to be increased in the future) with a real work in a private enterprise. Immense quantity of the employees in the state offices is a heavy burden for budget and step by step the former's number is to be reduced.

Retail trade and public catering already employed more people than industry: this is a new trend, characteristic of the transition period. Relatively more people were engaged in agriculture than in the 1980s, the latter providing products first of all for self-subsistence, but also producing staple commodities.

Chapter 6

CONCLUSION

6.1. The downfall of really ineffective planned economy could not lead automatically to the establishment of free market relations and democratization of the society. During the transition period market economy is being established, but free competition is limited by the residues of the command economy. Naturally such situation affect the changes in social structure of population.

6.2. Actually in the post-Soviet world as a whole and in Georgia, in particular, a social change is taking place - the transition from the centrally planned economy, so-called "real socialism" to capitalism. As the capital accumulation is an inevitable process in this case this leads to a situation when large part of population is deprived and relatively small part accumulates the wealth. No doubt this process is accompanied by a certain social injustice.

6.2. Public opinion surveys reveal that the a large part of population feels itself poor and even destitute. This is even more difficult to be accepted by public opinion as the new poverty in Georgia is the poverty in a relatively rich country. But in current circumstances of the transition to market economy the process of the property and social stratification is going on: the smallest groups managed to join higher classes while the absolute majority is on the verge of pauperization. The latter first of all concerns the white-collar workers (teachers, medical workers, etc.), factory workers which have to rely upon the token salaries and the pensioners - who rely upon the miserable pensions.

6.3. The working class and white-collar workers, including *intelligentsia* is becoming poorer. The peasantry benefited at the first stage from the deficit on consumer market, but very soon found itself not able to compete with the foreign agricultural products as soon as the market became more open. Property differentiation and pushing-out of the larger part of the rural population may be a result of inevitable social change.

6.4. In such circumstances the faster the market reforms are undertaken the easier it will be for the people to overcome difficulties. But the existing social structure is the major impediment for speedy reforms. The major menace to the introducing of the market economy, the old *nomenklatura* bureaucrats brought up in the conditions of Socialism which still run the state, are step by step supplanted by new generation of civil servants. Nevertheless time is needed to change peculiar mentality even of the latter. The system of nomination of the directors of the industrial enterprises from the circle of the party functioners, which was practiced in the USSR led to the situation when the last Soviet directors became proprietors or major share-holders of many of the factories in the 1990s. Many of these people (but not all of them) have little ability to get accustomed to the new economic relations and prefer to act so as to impede reforms.

6.5. On the other hand a large number of the former Communist party functioners after the crush of Communism have openly joined the businessmen and proved to be quite successful. On the top of the hierarchy some changes are inevitable: more successful new businessmen and bureaucracy are supplanting the former one but this is happening as a mixing-up with the old shadow businessmen and the still active former Communist bureaucracy.

6.6. The middle class is yet very insignificant in number. Under "Middle classes" in case of Georgia usually are meant more or less well-to do households - neither rich enough nor influential to be considered as upper classes and not poor enough (and, especially, economically non dependant on the state) to be considered as lower classes. Such middle classes are considered the most reliable guarantor of the stability of the state which moves in the direction of market economy: such classes are not interested in destabilisation as they have what to lose - private property. In such circumstances small business needs real help, at least in terms of more fair legislation.

6.7. Yet despite the economic plight and political destabilisation of the first half of the 1990s, Georgia is coming out of crisis and a certain movement to the democratic system is apparent. Political pluralism is maintained, parliamentary election of 1995 revealed affiliation to the centrist, non-radical policy.

Democratic values seem to be rather important for many people, e.g. public opinion is ready to support the market economy reforms, democratization of the society, more personal and political freedom.

6.8. There exists an obvious opposition to the reform and a nostalgia for the "good old times" when everything was managed by a sole party. The supporters of such ideas are predominantly marginalized, poorer and older people, who became the major victims of the economic reform. Improvement of their social conditions will inevitably increase the base of support of economic reform and democracy. But at the moment actual social structure of the population is a certain stumbling block of progress.

6.9. Social structure of population undergoes a serious change. There appeared a group of employers and self-employed, the proportion of those engaged in state sector is already superseded by those in private sector. Industrial workers are less in number than those employed in services.

Not all these changes benefit the population on the spot. Unemployment has increased dramatically, underpayment of civil servants is a menace to the society. But all these problems are soluble in case if economic revival is achieved. The help of international community, and even more the flow of private investments may be of invaluable importance for this country.

6.10. The new trends in the development of the Georgian society very soon will show that the social structure in this country changes in the direction of more resemblance with that of the established democracies. And this increases the plausibility of creation of the stable democratic institutes in Georgia.

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