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International
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Socio-Economic Inventory Assessment

2005

GEII

Georgia Employment and Infrastructure Initiative
საქართველოს დასაქმებისა და ინფრასტრუქტურის ინიციატივა

საქართველო

CHF- Georgia
3 Mtskheta Street
0179, Tbilisi, Georgia
Tel.: (+995 32) 22 69 02, 25 16 72
Fax.: (+995 32) 26 15 74
www.chf.ge

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Acknowledgements

Foreword

Communities throughout the Republic of Georgia are at a crossroads.

Since the collapse of the Soviet Union, this country of 4.4 million people has experienced rapid social and economic change, confronting numerous ethnic and territorial conflicts while initiating an ambitious program of reform. In an effort to meet these challenges, development assistance has largely focused on meeting peoples' basic needs, ensuring that women, children and men had enough food, shelter and basic services to survive. This work was a marked success, leading to stabilization of the situation and stimulating dramatic change in November 2003.

The 2003 "Rose Revolution" introduced a new optimism throughout Georgia and willingness to make a difference. Relations with the west have been gradually normalized and enhanced, stimulating larger-scale investment and opportunity. The installation of Georgia's new government through popular and peaceful democratic action has inspired new hope and ambition in citizens and communities across the nation, and inspired renewed confidence in international donors and investors alike.

Leaders, such as the United States Agency for International Development (USAID), have recognized the opportunity for Georgia's transition from relief to economic development through long-lasting positive change at the local level. Programs such as the new Georgia Employment and Infrastructure Initiative (GEII) have been specifically designed to promote this transition. Through a strategy of promoting local leadership and economic action, communities throughout Georgia are gaining the skills and experience necessary to lead their own development long into the future.

It is with these factors in-mind that CHF International designed this Socio-Economic Inventory Assessment (SEIA) at the outset of the GEII project. Focused on local economic development and community action, the SEIA has the dual objectives of 1) Informing the strategy of GEII and other community-based economic development initiatives; and 2) Establishing a measurable baseline for the GEII project. In essence, it is a balance sheet for reflecting community assets, opportunities and constraints in all ten regions throughout Georgia.

It is CHF International's hope that this SEIA will serve as a tool to orient leaders throughout Georgia's development community to design and implement programs that most effectively translate capital contributions into long-term economic development investments. In this sense, the SEIA is not only a tool for GEII, but a foundation for all community economic development organizations committed to incorporating new ideas into their programs. For these reasons, it is my hope that the SEIA, in addition to assessing current capacities throughout Georgia, will highlight issues that stimulate the debate on how to best assist communities to meet their own needs and initiate change.

Patrick Sommerville
Country Director ~ CHF Georgia

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Socio-Economic Inventory Assessment Research Team:

Team Leader:
Patrick Sommerville

Coordinator and Author:
Russell Bunnell

Technical Advisors and Authors:
Beverly Hoover
Mina Day
Scott Yetter
Larry Dersham (Save the Children)

Survey Team: (ACT)
Irene Machavariani
Lasha Bakuchava

CHF Program / Technical Support:
Zviad Esebua
Natia Esebua
Nino Mikeladze
Nelly Dolidze
Teta Kokhreidze

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Table of Contents

Acronyms and Abbreviations

ABCO   Association of Business Consulting Organizations
ACT   Analysis and Consulting Team
BTC   Baku-Tbilisi-Ceyhan
CDC   Community Development Council
CHF   Community·Habitat·Finance
CU   Census Unit
GEII   Georgian Employment and Infrastructure Initiative
GEL   Georgian Lari
IDP   Internally Displaced Person
INGO   International Non-Governmental Organization
L-CEP   Long-term Civic Enterprise Planning
NGO   Non-Governemntal Organization
PSU   Primary Sampling Unit
SEIA   Socio-Economic Inventory Assessment
SOS   Social Outreach Strategy
SPSS   Statistical Pachage for Social Sciences
SSU   Secondary Sampling Unit
USAID   United States Agency for International Development

1   Executive Summary

The Republic of Georgia has experienced dramatic social and economic change since the collapse of the Soviet Union. Georgia's transition over the past decade has created a set of development challenges previously unknown, placing a great strain on the country's people and resources. Poverty increased sharply, and means of social protection have rapidly deteriorated. As disparities in income dramatically inflate, the Georgian population suffers from a collapse in public spending on infrastructure, health and social services, as well as loss of wealth and economic opportunity. Despite the challenges, renewed optimism and "a willingness to make a difference", inspired by the November 2003 "Rose Revolution", are present throughout Georgia. Relying on popular and peaceful democratic action, Georgia's new central government has inspired new hope and ambition in citizens and communities across the nation, instilling confidence in international donors and investors alike.

Designed and implemented by CHF International and funded by the United States Agency for International Development (USAID), the **Georgia Employment and Infrastructure Initiative (GEII)** works to address the myriad challenges facing Georgia's long-term development, building on community initiative, hope, and economic potential. The goal of this five-year project is **to improve essential economic infrastructure services and generate income** for an economically and socially empowered citizenry in Georgia. Hundreds of communities across Georgia will have the opportunity to participate in GEII and increase their organizational capacity and economic development.

Setting the framework of GEII, a key initial step is the establishment of baseline data and identification of program strategies that will maximize impact and effectiveness. To this end, a **Socio-Economic Inventory Assessment (SEIA)** was carried-out by CHF International and a competitively-selected local survey firm partner, the Psychological Counseling and Rehabilitation Center, supported by the Analysis & Consulting Team (ACT). Engaging in-depth quantitative and qualitative methods, the SEIA surveyed over 1,000 potential GEII clients in over 100 communities throughout Georgia. On the basis of survey results, mid-term and final evaluations of the GEII program will be conducted, measuring change by comparing SEIA baseline data to progress made under the GEII program.

Respondents and communities targeted for the implementation of the SEIA closely mirrored the targeted beneficiaries of the GEII program and were calibrated to established population data to ensure a statistical significance of 95% with a 3.2% margin of error. A snapshot of the respondents' profile includes:
  ➢ 40% from the conflict-prone regions of Samskhe-Javakheti and Kvemo Kartli;
  ➢ 57% women, 17% youth;
  ➢ 86% Georgian, 6% Armenian, 5% Azeri and 3% other (Ossetian, Greek, Russian, and Assyrian);
  ➢ Average monthly income of $42, 21% unemployed and 20% owning a business.

In relation to <u>Local Economy, Infrastructure and Employment</u>, **key findings** strongly indicate that the **majority of developmental constraints facing communities are economic-related**:
  ➢ Nearly ¾ of respondents indicated people are leaving rural communities due to a **lack of employment opportunities**;
  ➢ Over 50% of critical constraints facing communities are related to infrastructure and services, especially in rural areas. This is particularly the case as relates to electricity, roads, gas and water supply;
  ➢ Major constraints facing small business development include lack of capital (poor savings, inability to secure loan capital), inaccessibility of raw materials, and poor infrastructure and transportation. **Lack of savings** was cited as the number one reason that respondents are not starting or expanding businesses.
  ➢ Shortages of information and poor market access constrains small enterprise development, isolating would-be entrepreneurs from both markets and diverse social groups;
  ➢ **Weak consolidation** of economic resources at the community level;
  ➢ General shortage of **entrepreneurial spirit**, innovation and investment.
  ➢ Rare instance of **partnership** between business, local government and civil society.

As regards <u>Community Initiative and Inter-ethnic Exchange</u>, **key findings** clarified complex Georgian understandings of "community", indicated weak initiative and awareness on the community level, and identified key points of interaction between diverse ethnic groups:
  ➢ **"Community"** is most often defined as a group of people who: 1) work together; 2) have common views, interests and problems; 3) live in the same village; and / or 4) share common roots / customs;
  ➢ Despite very limited interaction and engagement, **communities consistently look to government to address their needs**. Although nearly 80% of respondents had never attended a meeting with a government official, 91% indicated that they turn to the government to address their concerns.

➢ The typical profile of a leader in Georgia is male, in his forties that is in 80% of cases an elected official, and in almost all cases, not involved in the business sector.

➢ Despite demonstrated instances of community initiative (especially in the case of "mobilized communities"), **overall public awareness and engagement** with indigenous leadership networks, civil society organizations and interest groups is alarmingly low. Only 9% of survey respondents had even heard of a formal or informal group in their community.

➢ There is **weak inter-ethnic communication and isolation**, especially in the conflict-prone regions of Samskhe-Javakheti and Kvemo Kartli. Only 20% of Azeri and Armenian survey respondents spoke Georgian. 42% of respondents indicated that they or members of their household have a relationship with people from other ethnic groups.

➢ **Interaction between ethnic groups takes place primarily in markets**, where diverse ethnic groups come together for trade.

➢ **Ethnic conflicts** primarily arise as a result of: 1) personal issues; 2) property; and 3) agricultural land.

➢ There is a general **reluctance of survey respondents to acknowledge conflict or the potential for it**. 91% of respondents said that they have never heard about or experienced a misunderstanding or conflict between ethnic groups in the past two years.

Based on key findings of the SEIA, the following **key recommendations** to guide a successful GEII program strategy are:

➢ To address key infrastructure and service demands of the population and promote a strongly-voiced need for enhanced economic development, substantial project interventions should be focused on the **rehabilitation of enabling economic infrastructure** promoting cost savings and stimulating investments. Such improvements include: Utilities such as gas, potable water, irrigation, and decentralized electrical supply.

➢ Critical constraints regarding **access to market, rural trade, and the consolidation of resources** in rural areas can be addressed through the improvement of roads and transportation networks, establishment and / or rehabilitation of collection centers and storage facilities, facilitation of business partnerships, and creation of Regional Economic Development Councils. Such interventions would be bolstered through complementary business promotion and association development activities.

➢ **Long and short-term employment opportunities** can be established and strengthened through the implementation of labor-intensive projects, partnership with business in community projects, referrals to credit providers, design of market-based project initiatives, and re-orientation of community focus to entrepreneurial activities and competitive advantage.

➢ A strong **Public Awareness and Marketing** component of GEII will greatly facilitate enhanced community awareness of the effectiveness of non-governmental, community-based initiatives, thereby creating a "demonstration effect" for communities across Georgia and consolidating civil society leadership networks.

➢ Active **partnership and engagement with government**, particularly at the municipal and district levels, will build on the hope and optimism established during the Rose Revolution and the strong standing that government enjoys within communities. This engagement should be formalized through joint contributions and participatory planning and budgeting efforts to the greatest extent possible, short of allowing government to co-opt the community development process.

➢ Efforts to promote **increased inter-ethnic exchange and conflict reduction** will likely be most effective by fostering economic relationships and dependencies, facilitating multi-community inter-ethnic partnerships, business relationships and market activity. Projects should be avoided that have the potential to create direct competition over resources.

The following assessment report is divided into six major sections. The first section, "Background", provides information on the development context, the GEII program, and the SEIA itself. Section 2, "SEIA Approach and Methodology" lays out the approach used in conducting the assessment and the profile of survey respondents. Section 3, "Overall Findings", provides the synthesis of the key findings and is followed by survey data tables. Section 4 lays out the regional variations and data is disaggregated by each targeted region. Section 5 is an analysis of the data and provides conclusions and recommendations for GEII's strategy and implementation.

2   Background

2.1   Development Context

The Republic of Georgia is a small, lower income country situated in the heart of the Caucasus region. This country of 4.4 million people has experienced rapid social and economic change since the collapse of the Soviet Union, confronting numerous ethnic and territorial conflicts while initiating ambitious programs of reform. Overcoming significant development challenges, Georgia's is making progress in its transition to a democratically governed market economy. The transition has not been smooth and has placed a great strain on the country's people and resources. Poverty has increased sharply, as incomes and means of social protection have rapidly deteriorated. As disparities in income dramatically inflate, the poor suffer disproportionately from a collapse in public spending on infrastructure, health and social services, as well as loss of wealth and economic opportunity.

Despite the challenges, renewed optimism and "a willingness to make a difference" inspired by the November 2003 "Rose Revolution" are present throughout Georgia. Through popular and peaceful democratic action, Georgia's new central government has inspired new hope and ambition in citizens and communities across the nation, instilling renewed confidence in international donors and investors alike. A government previously constrained by centralization, ineffective national governance, and rampant corruption now embarks on an ambitious program of reform, initiating efforts of enhanced civic participation, transparency, and the establishment of peace and security within its borders.

2.2   Background on CHF International's Georgia Employment and Infrastructure Initiative (GEII)

In order to capitalize on the opportunities and promise of Georgia's recent developments, the **United States Agency for International Development** awarded CHF International a five-year, nation-wide $19 million program entitled the **Georgia Employment and Infrastructure Initiative (GEII)**. The GEII program works directly with communities throughout Georgia to equip them with the skills and resources to initiate and sustain positive change and economic development on their own.

The goal of CHF's GEII program is to improve essential economic infrastructure services and generate income for an economically and socially empowered citizenry in Georgia. Hundreds of communities across Georgia will be provided the opportunity to participate in GEII and increase their organizational capacity and economic development.

Cooperating closely with the government, private sector, and other development partners, Community Development Councils (CDCs) will take leadership roles within their communities, working to prioritize their development needs and implement *demand-driven* social, economic, and environmental projects set within a longer-term planning framework.

Promoting reduced conflict and enhanced stability, GEII community projects will create economic opportunities and promote cooperation within and among Georgia's underserved rural populations. GEII will facilitate social and economic interdependence among communities by providing incentives to work together, build trust, and develop relationships that will last well into the future.

CHF~GEII Objectives

- *Stimulate communities to <u>engage in</u> <u>participatory, community-wide planning and take action</u> to improve services and infrastructure;*
- *Increase communities' capacity to <u>leverage resources and support</u> through innovative partnerships with government, the private sector, and other empowered communities;*
- *Promote entrepreneurship and <u>create long- and short-term employment opportunities</u>;*
- *<u>Advance stability and reduce conflict</u> through undertaking joint community initiatives.*

2.3   GEII Socio-Economic Inventory Assessment (SEIA)

In order to develop a baseline for the impact of the Georgia Employment and Infrastructure Initiative program, CHF, working with **Psychological Rehabilitation and Counseling Center as the local partner, and supported by the Analysis & Consulting Team (ACT)**, conducted a comprehensive Socio-Economic Inventory Assessment (SEIA). The objectives of the SEIA were to take inventory of the:

- Current ability of communities and citizens to organize and address their own socio-economic needs;
- Potential sources of conflict and cooperation within and among communities;

- Means of current community representation;
- Attitudes toward, and engagement with, local government and the private sector;
- Employment and income generation opportunities; and
- Access to capital and financial resources.

Results of the SEIA will be used to track the future progress of GEII interventions and facilitate the identification of clients and intervention strategies that will enhance the effectiveness of the program. Mid-term and final evaluations of the GEII program will be conducted, measuring change by comparing baseline data to progress made under the GEII program.

3   SEIA Approach and Methodology

CHF International, in cooperation with its local partner, used qualitative and quantitative research methods. A structured questionnaire was designed and 1,000 surveys were conducted in 100 communities throughout Georgia. The Psychological Counseling and Rehabilitation Center, supported by the Analysis and Consulting Team (ACT), conducted multiple interviews with a varied sampling within each surveyed community. ACT conducted 20 in-depth interviews in Samtskhe Javakheti and Kvemo Kartli. As well, focus groups were conducted by CHF in various regions of Georgia to supplement quantitative survey data. Results of the survey were compiled using advanced statistical methods, establishing baseline data used to track future progress of GEII interventions and facilitating the identification of communities and clients that will benefit the most from GEII assistance.

3.1   Survey Methodology

3.1.1   Quantitative Methods

Descriptive quantitative research provided statistically reliable data on the studied variables, enabling researchers to measure study indicators (frequencies, correlations, factor analysis, etc.), develop relevant conclusions, and frame conclusions and recommendations.

Face-to-face interviews were the primary survey methodology engaged. Interviews were carried out by ACT professional interviewers in two languages: Georgian and Russian. 90% of the interviews were conducted in Georgian, and 11% in Russian. The quantitative survey tool was a special structured questionnaire. The questionnaire was primarily composed of closed questions. Average duration of interviews was 20-25 minutes. Upon completion of the fieldwork, information obtained was processed using Statistical Package for the Social Sciences, version 11.0 (SPSS 11.0).

3.1.2   Qualitative Methods

In-depth Interviews - This is a qualitative research method, conducted individually to offer a deeper understanding of why people hold particular views, how they make judgments, and reach conclusions. This method offers insights not available through structured quantitative research, but is not intended to be statistically reliable.

The non-structured questionnaire was developed by CHF and ACT and used as the in-depth interview tool. The questionnaire, composed of open-ended questions, was based around the same themes used in the structured survey. The interviews lasted between 30-40 minutes, and were audio recorded for verification and analysis.

Twenty in-depth interviews were conducted in the Samtskhe Javakheti and Kvemo Kartli regions. To allow cross-referencing and verification of results, communities were chosen from the list of sites chosen to participate in the structured survey. To facilitate the process, community leaders were identified and invited to participate in the process. Where community leaders were not identified, interviews were conducted with local government representatives. While government officials are generally well informed about the community, they are obviously biased in their opinions of the government. Only four interviews, two in each of the regions, were conducted with non-governmental respondents.

Focus Groups - In order to supplement the quantitative information gained in the survey and get direct information from community members themselves, focus groups were conducted in various regions throughout the country. From November 21 to December 1, 2004, CHF conducted 12 focus groups in six regions of Georgia. Most of the groups surveyed had been previously mobilized by NGOs, but self-organized and informal groups of community members were also interviewed. The locations where focus groups were conducted included both urban and rural areas ranging in size from 190 to 50,000 people and included the regions of Kvemo Kartli, Kakheti, Shida Kartli, Imereti, Ajara, and Samtskhe Javakheti. Two of the focus groups included members from different community groups and villages. A total of 20 different groups were interviewed representing 15 communities.

Several interviews were conducted with ethnic minorities including Armenians in Akhalkalaki, and Azeris in Marneuli. While most of the remaining interviews took place in Georgian communities, several of them either contained other ethnic groups or were near villages that are composed of other ethnic groups.

3.2 SEIA Approach

3.2.1 Pilot Study
To test and finalize the structured questionnaire, a total of 15 interviews were conducted in Tbilisi as part of a pilot study. After completion of each pilot interview, interviewers filled out an evaluation form developed particularly for the pilot study, offering comments and recommendations. As a result of this, the questionnaire was edited and finalized based on the notes/ comments provided by interviewers.

3.2.2 Target Group
The target group of the quantitative study was general public of 18 and over. The survey area was the Republic of Georgia, excluding Abkhazia, South Ossetia and the following five cities: Tbilisi, Batumi, Poti, Zugdidi, and Gori. Total sample size of the study was 1000. The sample size ensures 95% significance level with a maximum 3.2% of sample error for the 50% variable.

Seeking a better understanding of qualitative and sensitive issues -- including reasons of particular attitudes community representatives have toward the local government or private sector, types of conflict and cooperation within and among communities, as so forth – formal and informal community leaders were targeted for in-depth interviews. In total, 20 in-depth interviews were conducted in Samtskhe Javakheti and Kvemo Kartli Regions. Interviewees included: 16 local government representatives, 2 community group leaders or active members, 2 knowledgeable youths (18 – 30 yrs) and 1 business leader.

3.2.3 Sampling
A multi stage cluster sampling design was used during the survey. The following steps were applied to develop the sample design:

1. The total population was divided into three zones:
   WEST -Ajara, Guria, Imereti, Racha Lechkhumi and Kvemo Svaneti, Samegrelo and Zemo Svaneti
   EAST - Kakheti, Mtskheta Mtianeti, Shida Kartli
   SOUTH CENTRAL - Samtskhe Javakheti, Kvemo Kartli.

   40% of surveys (400 interviews) were carried out in the South Central zone. The remaining 60% (600 interviews) were distributed equally throughout the East and West zones. This matches up with the planned GEII programming of resources on a proportional basis.

2. The total population was divided into strata. According to the requirements of the GEII program, the following big cities were included into the survey as separate strata: (1) Kutaisi, (2) Marneuli, (3) Akhaltsikhe, (4) Akhalkalaki, (5) Rustavi, (6) Bolnisi, and (7) Telavi. The remainder of the population was divided into two strata: (1) areas with groups formally mobilized by NGOs; and (2) areas without previous mobilization initiatives. Of the total number of surveys, 20% were conducted in communities experienced in community mobilization. Half of those interviews were conducted urban areas, and the other half in randomly selected villages. The remaining 80% of surveys were conducted in areas without groups mobilized by NGOs.

3. Of the total number of surveys, 10% (100 interviews) were conducted in big cities in Georgia (Kutaisi, Marneuli, Akhaltsikhe, Akhalkalaki, Rustavi, Bolnisi, and Telavi), while 12% of surveys (120 interviews) were conducted in other towns/district centers. The remaining 78% (780 interviews) were conducted in villages.

4. In the urban areas, the Census Unit (CU) was used as the Primary Sampling Units (PSU). In rural areas, the village was used as PSU. 10 interviews were conducted in each PSU. A total of 100 PSUs were selected according to the PPS method.

5. Households, selected through the Random-walk Procedure, were considered Secondary Sampling Units (SSU).

6. Finally, a specific respondent within the household was selected to be surveyed. The respondent interviewed was considered to be the most informed member of the household. Only one interview was conducted per household.

7. After data collection was completed and inserted into the database, it was weighted in accordance to population density of each region. This was done to ensure that the results are representative and can be disaggregated on urban/rural, as well as regional levels. The weight of each household was defined as the reverse value of its probability to be dropped into the sample.

3.2.4   Quality Control

After completion of fieldwork, a quality control group checked 20% of the interviews. 80 interviews were conducted by phone, and 120 were conducted on the spot. The respondents were asked: (1) whether the interviewer visited the household, (2) duration of the interview, (3) topics of interview, and (4) several questions from the survey tool (age, languages spoken, household business). All interviews were confirmed.

In-office consistency checks of all completed questionnaires were also carried out by ACT, with appropriate corrective follow-up actions to resolve any inconsistencies. Corrective actions included calling supervisors and interviewers, and discussing any inconsistencies with them. Based on these conversations, mistakes were corrected by either the Project Coordinator or interviewer. If consensus could not be reached, the questionnaire was sent back to the respondent to resolve the problem. Based on the procedures mentioned above, all completed questionnaires (100%) were entered in the statistical database.

3.2.5   Interviewer Training

Based on the training materials, the ACT Project Coordinator trained and instructed the interviewers on the qualitative and quantitative survey objectives, survey tools, and sampling procedures. All interviewers participated in mock interviews where they acted as interviewers as well as respondents. Afterwards, the completed questionnaires were reviewed and discussed in the group. Special attention was paid to common mistakes and other difficulties.

3.2.6   Survey Activities

The survey activities were conducted in four separate phases beginning November 15, 2004. A detailed work description of the SEIA in each phase is given below (see Table #1).

Table #1   – Survey Timetable

WORK DESCRIPTION	WEEKS			
IN-DEPTH INTERVIEWS	**I**	**II**	**III**	**IV**
Developing qualitative survey tool (guide)	■			
Translating qualitative survey tool	■			
Training interviewers	■			
Conducting in-depth interviews (20 interviews)		■		
Preparing transcripts			■	
Preparing in-depth study report				■
QUANTITATIVE STUDY	**I**	**II**	**III**	**IV**
Developing quantitative survey tool (questionnaire)	■			
Translating quantitative survey tool	■			
Developing sample design	■			
Pre-testing	■			
Editing questionnaire	■			
Printing Questionnaires	■			
Training of Interviewers	■			
Conducting fieldwork (1000 interviews)		■	■	
Carrying out quality control			■	
Revising questionnaires/ coding questions			■	
Entering data			■	
Cleaning the file/ statistical analysis			■	
Preparing quantitative study report				■
FINAL REPORT	**I**	**II**	**III**	**IV**
Preparation of initial results report				■

3.3 Community Demographics

A total of **15 distinct ethnicities** were reported by the respondents. However, they are not evenly distributed, and tend to create monolithic communities. This is particularly obvious in areas where minorities become majorities, such as the Azeri population of Kvemo Kartli and Armenian population of Samtskhe Javakheti. Under such circumstances, the critical mass of a population breaks out of the restraints of a mere group, and is sufficient to create a community in a larger sense. Such shifts can influence overall regional dynamics, nuancing interpretations and definitions.

The following table describes the communities that participated in the quantitative survey according to the following parameters: (1) demographics, (2) social characteristics, and (3) economic characteristics.

Respondents' Civil Status, Age, Gender, Marital Status and Ethnicity	Demographic profile of 1000 respondents ▪ 57% women, 43% men ▪ Average age 46 ▪ 17% Youth (18-30 years old) ▪ 3% IDPs/ refugees ▪ 73% married, 16% single, and the remaining were divorced or widowed ▪ 86% Georgians, 6% Armenians, 5% Azeri, 3% (Ossetians, Greeks, Russians and Assyrians)
Native language	Georgian 88% Armenian 6% Azeri 5% Russian 3% Total is more than 100% since some respondents are bilingual.
Respondents' Education	Illiterate 0.3% Elementary 2% Incomplete Secondary 6% Secondary Education 60% Incomplete Higher 4% Higher Education 26% Post Graduate 1%
Household income level comparison	Compared with other households of their cities/villages, 3% of the respondents described their household as having more than medium income, 57% as having medium income, 35% as poor, and 5% as very poor.
The main source of information	Television 84% Friends, Relatives, Neighbors, etc. 7% Radio 4% Newspaper 4% Magazines 1%

4   SEIA Overall Findings

Section 4 of the Socio-Economic Inventory Assessment sets forth the findings of 9 aspects of the local economy and community organization. The sub-sections are divided into these 9 aspects including: 1) Infrastructure and Services; 2) Local Economy; 3) Business Environment; 4) Employment; 5) Personal Satisfaction of Economic Status; 6) Community Leadership; 7) Perception and Engagement of Local Government; 8) Inter-Ethnic Relations; and 9) Community Organization and Initiative. Section 4.1 is a synthesis of the data into the most salient findings relevant to the subsequent conclusions and recommendations. The detailed and specific questions, focus group outcomes, data tables and charts are presented in Section 4.2.

4.1   Summary of Key Findings

4.1.1   Infrastructure and Services
❖ The SEIA results show that **basic infrastructure in Georgia, while widely available, remains in poor condition**. On average, 95.5% of respondents have electricity, while 72.5% are connected to the water supply. The public transportation network, available to close to 90% of the respondents, is available but highly inefficient and a source of major dissatisfaction.
  ➢ Only 1.5% of the urban respondents have access to social services and organizations that provide non-financial help for businesses. No such services were reported to be available to rural respondents.
  ➢ **Natural gas** is available to 47% of the urban and only 5% of the rural respondents.
  ➢ A mere 18% of rural respondents benefit from **irrigation systems**.

❖ When questioned about the level of satisfaction with basic infrastructure, there is an **inverse correlation between availability and satisfaction**. For example, the high availability of electricity is countered by a low level of satisfaction – barely over 2 on a scale from 1-5.
  ➢ **Tap water**, ranked at slightly above 3 in urban areas, received a little over the 2.5 satisfaction mark in rural areas.
  ➢ **Natural gas** was rated at around the 3.75 mark by urban respondents, while rural respondents ranked their satisfaction at close to 5. Unfortunately, only 5% of surveyed households in rural areas actually have access to gas.
  ➢ Social service centers and organizations providing **non-financial business development assistance**, on the other hand, received high ratings – above 3.5, and around 4.75 respectively. However, their low accessibility makes the overall satisfaction average plummet considerably.
  ➢ Notable regional variations on the availability of services include: In **Kvemo Kartli** people are *very satisfied* with natural gas service, although it has a low availability (14% communities surveyed), and are *unsatisfied* with electricity which is available in 100% communities surveyed. In **Samtskhe Javakheti** community members are *satisfied* with gas service, which is available to 47% of people surveyed, and are slightly better than *neutral* when asked about electricity service which is available to 94% respondents.

4.1.2   Local Economy
The vast majority of all rural and urban respondents stated that their income has either remained the same or has decreased in the past two years. In contrast, close to a half of the respondents said that monthly household expenses increased. Respondents estimate that some 80% of their incomes are spent on food items. Due to stagnating or lower incomes set against increased expenses, the population has seen its savings and investment depleted over the years. The lack of savings has affected not only business expansion and diversification, but also maintenance of current businesses. "We had tractors, now they are out of use," said a local government representative from Ashkala Village. With 31% of rural household income coming from the sales of agricultural products, a way to increase savings or facilitate access to credit must be found to enhance production efficiency and diversify rural employment opportunities.

❖ When asked to identify the most important problems facing their communities:
  ➢ 71% of respondents identified **unemployment** as the most pressing issue. Electricity received second ranking identified by 65% of respondents.
  ➢ A variation among urban and rural respondents arises at the **third** ranking. The overall socio-economic crisis was ranked third by 31% **rural** respondents, while 42% of **urban** respondents identified the water supply.
  ➢ **Roads and water supply** roughly tie for the **fourth** largest problem facing both urban and rural populations.

❖ According to 51% of all respondents, the **economic situation in their community did not change** over the past two years; 26% believe it has improved, while 22% believe it has deteriorated.

❖ Some 71% of respondents reported that **people are moving out of their communities**, and 93% believe a lack of employment opportunities to be at the root of this trend. In the words of a Sakrebulo member from Kvemo Kartli, "*There are very strong emigration tendencies here. The young people have no jobs... There is poverty here... and they go to Russia, Armenia.*" Migration into the communities is generally associated with marriage, seasonal jobs, or a cessation of conflict.

❖ Most **local products are sold either within the community or exported** to a neighboring community and/or market hubs of Tbilisi and Kutaisi. Goods sold at local markets that are not locally produced are most often imported from those two locations as well.

❖ In general, **trade linkages exist** and are functioning. However, complaints were voiced that transportation was cost prohibitive, impeding trade and availability of goods. Several respondents remarked that the prohibitive cost of transportation forces them to sell their goods at lower prices to avoid the expense of taking them back.

> **Respondents' Input on Local Government and Economy**
>
> "*There are many things not being sold in the market, such as clothes, shoes....*"
> – Local leader in Samtskhe Javakheti.
>
> "*Twenty percent of people are involved in business. They have the same problem as farmers. These are high prices on petrol, which hampers transportation of goods*"
> - Local government official from Sabirkendi Village.

4.1.3   Business Environment

Baseline figures for local business are: 20% of people currently own a business; 80% of businesses are in rural areas; and 60% of these are engaged in selling agricultural products. Another 20% of rural businesses are involved in trading in the market, and 10% are involved in transportation. Businesses located in urban areas are predominately kiosks or wholesalers (56%). On average, household businesses employ 2.3 people, 60% of which are men. The average term of the respondents' business operations is 56 months, or 4.7 years.

Only 8% of people in **Samtskhe Javakheti** and 13% in **Kvemo Kartli** indicated that they are currently the owner of a business. In Samtskhe Javakheti, half of these businesses are trade whereas the others include a variety of services. In Kvemo Kartli, about half the businesses are trade and the other half involves the sale of agricultural produce. The larger amount of businesses in the Kvemo Kartli region is due to its proximity to Azerbaijan where many products are imported from.

The five of the **most important constraints** faced by local businesses are:
(1) Lack of capital (no savings, difficulties to secure loan, bad terms)
(2) Low purchasing power of the population
(3) High price / inaccessibility of raw materials
(4) Utility (electricity, water, gas) problems
(5) Poor Transportation (bad roads, lack of transport).

> **Local Perceptions on Taxation and Regulations**
> *SEIA results show that tax and other relevant regulations are viewed as prohibitive and not supportive. The current regulations are not a good enabling environment for business environment.*
> *"If one pays all taxes without cheating, one will have a negative profit,"* commented a local government representative from Akhaltsikhe City. Respondents complained that import regulations do not protect local farmers with low customs fees on imported goods. *"The whole of Georgia is supplied from Marneuli. Azeris have cheap agricultural products. Why do we need to import onions, tomatoes from Turkey to Marneuli or Georgia? Why do we need to import tomatoes from Iran? It's also protectionist politics,"* complained a local government representative from Marneuli City.

People in both the **Kvemo Kartli and Samtskhe Javakheti** regions indicated that the two main problems facing local businesses are lack of capital and the high price/inaccessibility of raw materials. Tax policy was also mentioned in Kvemo Kartli whereas poor transportation was cited in more mountainous regions with poor transportation networks.

❖ The **lack of capital** was identified as the main impediment in both rural and urban areas. **Lack of savings** was identified as the primary reason for the stagnation in business development. Almost three quarters of the respondents stated that no one from their household borrowed money during the previous two years. Of those who borrowed money, the majority got a loan from friends or family.
  ➢ As stated by a representative of the local government in Kvemo Kartli, *"40% of the local population is involved in business, but less than 10% of them own a business. In Georgia, it is very difficult to get a loan. Besides, loan interest is very high. Hence, there is no opportunity for business development. In addition, there is lack of support from the local as well as central government."*

❖ The **low purchasing power of the population** was ranked as the second impediment. Coupled with the third identified impediment, the **high price of raw materials**, the purchasing power of the population becomes even lower. "Business requires some capital, which is unavailable for us. There is no workshop, factory, or industrial complex here to support the development of the business," said a local government representative from Kalinino Village. The fourth identified impediment, **utility problems**, is also shared by both rural and urban areas. The need to set up alternative power supplies, such as generators, increases operational costs. While rural respondents identified **roads**, urban respondents cited **tax policy** as the fifth impediment to business development.

4.1.4   Employment

❖ 71% of respondents identified **unemployment** as the most pressing issue facing their communities.

❖ Of the total respondents surveyed, **47% are employed.** Pensioners, housewives, and students account for 32%, and 21% are unemployed.

➢ Average monthly **personal income** is 75 GEL ($42) and 93% of respondents make less than 200 GEL ($112).

➢ Average monthly **household income** in urban areas is 213 GEL ($118) and for rural areas is 178 GEL ($99). 58% of average urban household income and 43% of rural household income comes from salary/wages or other income activities. 31% of rural household income comes from the sales of agricultural products.

➢ 80% of household expenses are for food.

➢ On average respondents indicated that their income has decreased and their expenses increased over the last two years.

❖ Disaggregating data by the types of employment, **56% of the employed respondents work in household business**, 23% work for governmental organizations or institutions, 11% for state owned enterprises, with only 9% employed in commercial private enterprises.

❖ **Youth** are engaged in a variety of fields of employment: 23% education, 21% agriculture, 16% trade, 8% production, and 7% health care/social services.

❖ Household income is derived predominately from salary/wages in both rural and urban areas, but rural households depend much more on sales of agricultural products which make up about a third of household income.

❖ Out of the 47% of respondents that indicated they are employed, more than half are involved in a household farm or business, and a quarter work for a government institution.

▪ In rural areas, 50% of those employed are involved in agriculture, 19% in education and 8% in trade.

▪ In urban areas the fields of employment are more diversified, with 18% involved in trade, 16% in manufacturing/production, 15% in education and 15% in agriculture.

	Rural	Urban	Samtskhe Javakheti	Kvemo Kartli
%Employed	**52%**	**38%**	**52%**	**37%**
Agriculture	50%	15%	37%	34%
Education	19%	15%	26%	13%
Trade	8%	18%	7%	13%
Production	5%	16%	6%	10%

❖ Average number of household members is 4.43. 61% of these have the ability to work, but only 29% have some sort of income, and only 17% have a regular monthly income. The **average urban monthly income is 16% higher than the average rural monthly income**. The diversity of economic activities contributes to this difference considerably.

➢ As stated by a local government representative from Rustavi City, "*The population is engaged in trade. There are also small private manufactures, car services, cement factory.... that employs an important number of people, and the (city) budget gets important income from it.*"

❖ While a majority of the surveyed population engages in secondary economic activities, 58% of the average urban household income and 43% of rural household income come from salary/wages. The rural environment, focused on agriculture and offering limited opportunities other than self-employment, renders its population vulnerable to a variety of elements – ranging from bad weather and fuel shortages, to increased gasoline prices and importation policy changes.

4.1.5   Personal Satisfaction of Economic Status

Respondents showed different levels of personal satisfaction with their current jobs and potential for future income. On average, respondents working for governmental organizations and institutions showed the greatest amount of satisfaction with their current job and future prospects, followed by satisfaction with employment in NGOs and then commercial enterprises. **Respondents' satisfaction rating employed in private enterprises and household businesses came in last.** It is important to note that most persons are employed in this type of work (56%).

❖ Respondents are **most satisfied with their fixed assets**, such as houses, apartments, and land. Assets, such as furniture and household equipment ranked second. The level of household income came in as third and personal income as fourth.

4.1.6   Community Leadership

While 3 regions could not identify a particular **leader profile,** the offered description is consistent in all other regions: a Georgian male, in his forties, preferably an elected official, and in almost all cases, not involved in the business sector.

❖ In general, the surveyed communities have a lack of non-governmental organizational capacity and initiative within them and **consistently look to government for leadership**.

➢ The Sakrebulo Chairman and District Governor (Gamgebeli) were the most often named community leaders in both the cases of who *should be primarily responsible for the community concerns* as well as the person to whom the respondent *turns to address community concerns*. There were very few instances of informal community representatives or other individuals that are considered as leaders across all regions.

❖ On a regional scale, the respondents believe their Sakrebulo Chairman or the District Representatives to be responsible for their community's needs.
  ➢ Of the 10 surveyed regions, 6 indicated that the Sakrebulo Chairman should be responsible for regional concerns. Of those 6 regions, issues are, in fact, directed through the Sakrebulo Chairman in 3 regions, while they are presented to the Governor directly in the other 3.
  ➢ In 4 of the 10 surveyed regions, the Governor is identified as responsible for regional concerns.

4.1.7   Perception and Engagement of Local Government

Respondents were fairly neutral in their assessments of the responsiveness of government, despite the fact that the vast majority of them look to government for leadership. On average, **18% of respondents find the local government responsive and 29% don't**.

❖ There are significant regional variations associated with this. For example, 40% of respondents in Mtskheta Mtianeti, Guria, and Kakheti view the local government as not responsive, while 40% of respondents from Ajara see the local government as responsive.

The **perception of the local government's responsiveness does not seem to correlate with the activity levels of the Sakrebulo**. In Ajara, for example, where the local government's responsiveness was ranked highest -- receiving a 3.4 on a scale from 1 to 5 – 75% of respondents stated that they turn to the Sakrebulo to address community concerns. In stark contrast, the respondents from Samegrelo and Zemo Svaneti ranked the local government's responsiveness as the second-highest – a 3.2 on the scale same from 1 to 5 – while only 13% stated that they turn to the Sakrebulo to address community concerns.

> **Responsiveness and Resources at the Sacrebulo Level**
>
> "We do not ask for help, because we do not have hope. They do not care and we are tired of begging for help."
>
> *-Local govt official in Samskhe-Javakheti*

  ❖ Additionally, results garnered from focus groups show that **the government, in some instances, is actively involved with the communities, but has insufficient resources**. This is particularly the case with Sacrebulo governmental units—while directly elected and generally engaged with local populations, the District level of government exerts strong control over the local government planning and budgetary process.

When asked if the local government **considers interests of a small group** or the entire population, the responses were almost evenly split: 49% believe the local government to consider interests of the population as whole, while 48% believe it to support primarily small groups.

❖ Of those respondents who believe the local government to consider small group interests, 75% named <u>friends, family, and neighbors</u> as the primary focus of attention, while 12% believe the local government to be more responsive to the needs of the rich and privileged. Once again, there are significant regional variations.

To qualify the activity level of the local government, the respondents were asked about their interaction. Overall, 79% of the respondents stated that they have **never participated in or attended a public meeting with officials** other than those related to elections. Yet, despite this apparent lack of interaction, 91% of the respondents indicated that **they turn to the government to address their concerns and needs.**

It is interesting to note that while almost all respondents view their employment status and potential for future income as unsatisfactory, there is a correlation between those who have indicated a more responsive, interactive local government and those who view their current economic situation more favorably.

4.1.8   Inter-Ethnic Relations

The population of Georgia is almost 4.4M. The ethnic make-up of the country is 84% Georgian, 7% Azeri, 6% Armenian and 2% Russian. 46% of Armenians live in Samtskhe-Javakheti, predominately in the Akhalkalaki and Ninotsminda districts, where they make up little over half the population. Almost 80% of Azeris live in Kvemo-Kartli, mainly in the Bolnisi, Gardebani and Marneuli districts, where they make up 45% of the population.

❖ The surveyed communities are comprised of 15 distinct ethnic groups with:
  ➢ **86% of the respondents identifying themselves as Georgian;**
  ➢ **Azeris and Armenians making up 6% each**;
  ➢ 1% of respondents identified themselves as Russian, and 1% as Ossetian;
  ➢ Other ethnicities identified included Greeks, Abkhazians, Kurds, Modovians, Ukrainians, Lezghins, Germans, Christians, Tajiks, and Jews.
❖ 30% of the respondents indicated that there is more than one ethnic group living in their community.

While respondents generally rated relations between ethnic groups in their communities as "good", the diversity of the south-central regions makes them potentially susceptible to conflict. Different ethnic groups live in separate communities and some of the minority groups do not speak Georgian. These factors increase the chance for misunderstandings that could result in conflict.

> **Respondents' Input on Community Relations**
> *"We have very good relations during the centuries. There was a problem in the 90's, but it is not now,"* - government representative from Bolnisi City in Kvemo Kartli.
>
> *"There was (a) problem between Azeris and Georgians. It has not been since 1994. We have better relations now"* - Kvemo Kartli government representative confirms saying

- ❖ **91%** of those said that they have **never heard about or experienced a misunderstanding** or conflict between people from different ethnic groups in the past two years.
- ❖ In **83%** of the cases, respondents **assessed their relationship with different ethnic groups as good and excellent**, while 14% viewed it as average. Only 1.4% rated it as bad and very bad.

Focus group and survey results indicated a **correlation between market activity and enhanced inter-ethnic interaction**. The majority of interaction between diverse groups took place in markets, where people of a variety of backgrounds come together for trade. This is particularly the case in the Kvemo Kartli region, where the Azeri population relies heavily on trade for livelihood.

- ❖ **42% of the respondents indicated that either they or members of their household have a relationship with people from other ethnic groups**. "This is not an issue here… all my family have relations with Georgians, we are friends," said successful businessman from Akhalkalaki city. These relations were qualified as neighborly friendships (51%), friendships (45%), marital (24%), business relationships (16%), and acquaintances (1%).

4.1.9   Community Organization and Initiative

To properly gather and subsequently interpret survey results relating to community organization and initiative, it was **necessary to clarify the word "community."** During conversations with respondents, relying in particular on the in-depth interviews conducted with formal and informal leaders in Samtskhe Javakheti and Kvemo Kartli, it became apparent that there is no common understanding of the word "community". While the word community has a Georgian equivalent, "temi", the term is not commonly used. When asked to define the term, the answers received loosely fell into the following categories: (1) A group of people who work together; (2) A group of people who have common views/interests, problems/concerns, and goals; (3) People who live in the same village/city; and, (4) A group of people who have common roots/customs.

> **A Model Community Organization in Kaspi Town**
>
> One evident ***model community organization*** is a group started in Kaspi Town with 5 members and now has 70. The group is headed by a woman and its members are 70% women from 4 villages. They reconstructed a school, a sport complex and a water system with the help of Mercy Corps. Additionally, they self-initiated a small economic project and rehabilitated a kindergarten with the Ministry of Education. They are currently meeting with the local government to repair the water system and are interested in cooperating with an Azeri village on a project.

As is often the case in the former Soviet Union, survey results indicated that indigenous community leadership networks, civil society organizations and interest groups (including mobilized community groups, associations, and NGOs) generally suffer from **weak status and awareness within the community.**

- ❖ **Only 9% of survey respondents indicated knowledge of non-governmental formal or informal leadership groups in their community**.
  - ➢ Even in small communities assisted in the past by community development initiatives, the majority of survey respondents were unaware that the activity had taken place and unable to identify non-governmental leaders of these initiatives. Of the total number of respondents who had heard of any type of community group, 84% stated that they had never been a member of a group.
- ❖ Questions about group composition and activities indicated a **lack of insight into the selection and operational mechanisms of the groups**.
  - ➢ For example, of the total number of respondents who are aware of a community group, 78% did not know the total number of members. An average of 83.5% was not aware whether the make-up of the community group was representational of the population. A total of 63% could not say how often the community group interacted with the local government.
- ❖ When randomly sampling community members in villages or cities in mobilized communities, there was a **low awareness of community groups**.
  - ➢ 8 out of the 20 communities surveyed had knowledge of some community group, but no one could name the assisting organization.

While information gathered from quantitative survey data indicated that awareness in mobilized community groups is generally low, there is **evidence of community groups continuing to lead community development efforts**. Information gained through focus groups indicates that about 50% of mobilized groups have initiated and completed their own projects. While most of these projects are small in scale, several of these groups have evolved into more than a project based group, creating an avenue for the community to discuss a variety of topics.

4.2 Detailed Findings & Tables

This section presents detailed findings on the overall situation in communities surveyed, the problems they face, as well as trade linkages and opportunities for entrepreneurship that exist within and among communities. Attention is paid to respondents' individual economic situation in connection to the local business environment, organizational capacity, leadership, and the overarching availability and satisfaction level with infrastructure and services. This section includes quantitative survey results drawn from the conflict-prone regions of Samskhe-Javakheti and Kvemo Kartli.

4.2.1   Infrastructure and Social Services

The following table describes the availability of social services in communities. Respondents were asked what services are available in their community, whether they use the services and what their satisfaction level is with the services that they use. While natural gas is not widely available, the people that have access to it are very satisfied with it. Electricity on the other hand is widely available, but has a very low satisfaction level. Electricity, while very useful, tends to be unreliable in many regions of Georgia with some villages only able to access it for a few hours a day.
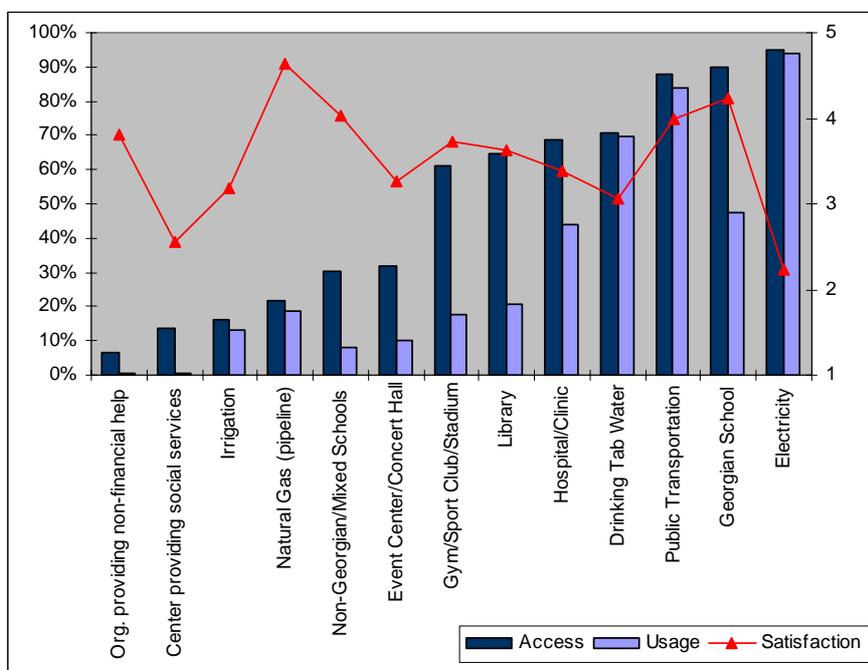
(1=Very Dissatisfied, 5=Very Satisfied)

Satisfaction with social services available in the community in urban/ rural areas

Respondents in rural and urban areas generally ranked their satisfaction with social services in the same manner, with the exception of natural gas. Natural gas, available only in 5% of the areas surveyed, has a level of *very satisfied* in urban areas, and *satisfied* in rural ones. Electricity is theoretically available in 100% of urban areas and 91% of rural areas, but respondents are generally *dissatisfied* with it. Respondents in urban areas were slightly more satisfied with the quality of tap water. Irrigation was only available 18% of rural areas, and respondents' assessment is *neutral*.

Social service centers and organizations that provide non-financial help for businesses are available in only 1.5% of surveyed urban areas, and not available at all in rural areas.
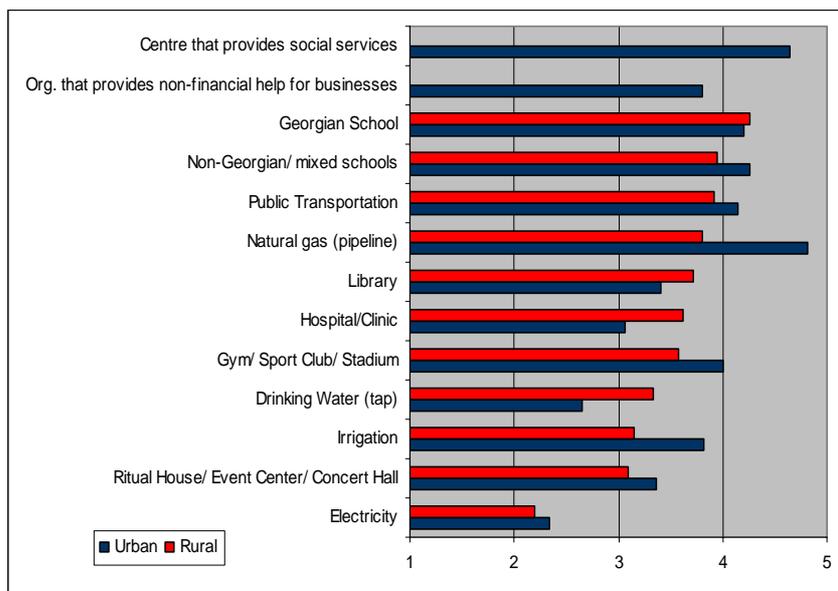
(1=Very Dissatisfied, 5=Very Satisfied)

Availability	Urban	Rural
Gas	47%	5%
Electricity	100%	91%
Tap Water	87%	61%
Irrigation	3%	18%

4.2.2   Local Economy

This section describes changes in economic conditions over the past two years, the main problems facing communities, community migration and trade linkages with other communities.

Change in Economic situation in community compared with _two years_ ago?

According to 51% of respondents, the economic situation in their community did not change in the last two years. 26% claimed that the economic situation in their communities deteriorated; 22% claim it improved.

Most important problems faced by town/ village

Importantly, the majority of the problems identified by survey respondents relate to their *economic livelihood*.
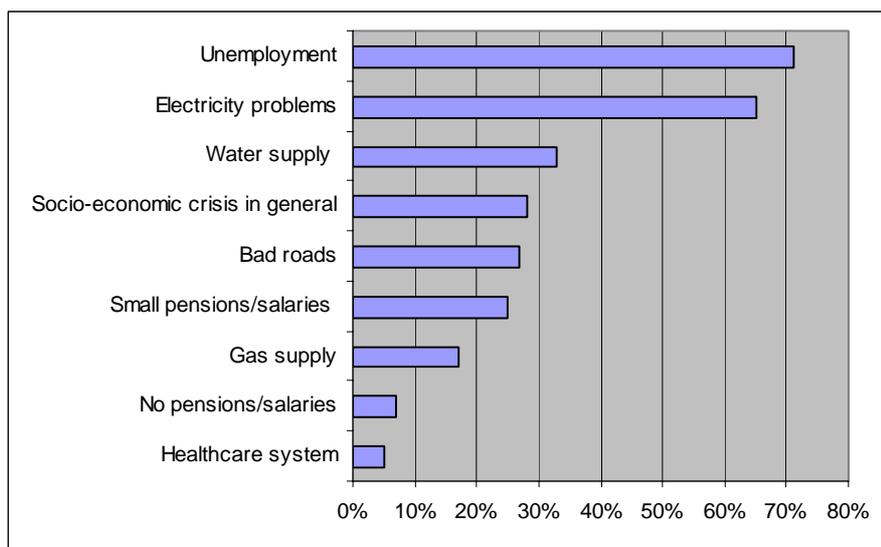
Most important problems of community in urban/ rural areas

When asked about the most important problems of the community (city/ village), respondents' answers generally coincided in both rural, as well as urban areas. The responses are as follows, ranked in decreasing order of importance (in rural area):

- **Unemployment (rural – 72%, urban – 70%)**
- Electricity supply (rural – 65%, urban – 64%)
- Socio-Economic crisis in general (rural – 31%, urban – 22%)
- **Water supply (rural – 29%, urban – 42%)**
- Bad roads (rural – 29%, urban – 23%)
- **Small pensions/ salaries (rural – 27%, urban – 19%)**
- Gas supply (rural – 16%, urban – 19%)

- Healthcare system (rural – 6%, urban – 2%)
- No pensions/ salaries (rural – 6%, urban – 9%)
- Sanitation /Ecology/ Environmental problems (rural – 2%, urban – 9%)

Both rural and urban respondents ranked unemployment as the most pressing problem. The main difference is related to water supply and small pensions/salaries.

Focus Group Insights

When asked about the biggest problem facing the community, several groups mentioned infrastructure issues, such as bad roads, problems with drinking water, and/or irrigation.

When asked about the infrastructure in the community, 6 respondents said that they have bad roads, 7 complained of infrequent electricity, 10 have no gas, 2 have no electricity, 3 have bad drinking water and 2 have no water at all.

Have people been moving *out of* or *in to* your community over the last two years?

The majority of respondents (71%) noted that there were people moving out of their community over the last two years. 93% of them named the **lack of employment opportunities** as the reason for leaving the community.

Only 7% of the respondents noted that there had been people moving into their community over the last two years due to the marriage (31%) and the opportunity to buy cheap land (26%).

Focus Group Insights

Three communities said that people leave temporarily to work in Russia, Turkey and Azerbaijan.

Where are most of the agricultural products produced in your community *usually* sold?

The two main areas where most agricultural products produced in the respondents' community are usually sold are the respondent's community (31%), and in another community, village or city (29%). The place where the most agricultural products (from the study area) are exported is Tbilisi (47%) and Kutaisi (26%).

Where do the traders *usually* buy most of the goods sold in your community?

Respondents usually buy most of the goods sold in their community from another district in their region or from other regions of Georgia (28% and 29%, respectively). Particularly, 31% of respondents buy them in Tbilisi and 16% in Batumi.

Focus Group Insights

Most small villages visited are located relatively close to a larger town with a market where they can buy, sell, and trade goods. The two communities in Adijeni complained that transportation to the market in Akhaltsikhe is expensive. Others pointed out that once they bring their goods to market, they sometimes have to sell them for a lower price as they cannot take them back.

Trade linkages between communities

Trade linkages between various communities were analyzed on the community/city/village level. Particular attention was paid to (1) the place of sale or export for local agricultural products, and (2) origin of goods available in the local market. One of the goals of the GEII program is to create and/or strengthen intra- and inter-regional linkages between community-based enterprises to increase access to new markets, reach economies of scale, and improve rural and urban income.

According to the survey results in Samtskhe Javakheti, goods produced locally are mainly exported to Tbilisi, and Kutaisi. When asked about where goods in the market come from, respondents mentioned a variety of areas, predominately Tbilisi and Marneuli, but also Turkey and Armenia. (see Table #2).

Table #2   Trade Links in Samtskhe Javakheti

Exported From	To
Akhalkalaki	Tbilisi
Ninotsminda	Tbilisi
Akhaltsikhe	Borjomi
Borjomi	Russia
Imported To	**From**
Akhalkalaki	Tbilisi
Ninotsminda	Marneuli, Armenia
Borjomi	Turkey, Tbilisi

Goods produced in various districts of Kvemo Kartli are mainly exported to Tbilisi. Imported goods come mainly from Tbilisi and Marneuli as well as Azerbaijan and Russia.(see Table #3)

Table #3   Trade Links in Kvemo Kartli Region

Exporting From	To
Bolnisi	Tbilisi
Dmanisi	Tbilisi
Gardabani	Tbilisi
Importing To	**From**
Bolnisi	Tbilisi
Dmanisi	Tbilisi, Marneuli

Gardabani	Tbilisi, Marneuli
Rustavi	Marneuli, Azerbaijan, Russia

Goods produced in various districts of Imereti region are mainly exported to Kutaisi. Goods are imported from Tbilisi, Kutaisi and Batumi. (see Table #4).

Table #4   Trade Links in Imereti Region

Exporting From	To
Tkibuli	Kutaisi
Terjola	Kutaisi
Samtredia	Kutaisi, Europe
Baghdati	Kutaisi, Samtredia
Zestaponi	Kartli
Vani	Europe, Batumi
Importing To	**From**
Kutaisi	Tbilisi
Chaitura	Tbilisi
Tskhaltubo	Tbilisi, Batumi, Kutaisi
Tkibuli	Kutaisi
Terjola	Tbilisi, Batumi
Samtredia	Kutaisi
Baghdati	Batumi
Zestaponi	Tbilisi
Vani	Kutaisi, Batumi, Samtredia
Kharagauli	Zestaphoni

Goods produced in various districts of Kakheti region are mainly exported to Tbilisi. The imported goods mainly come from Tbilisi, Azerbaijan and Turkey (see Table #5).

Table #5   Trade Links in Kakheti Region

Exporting From	To
Gurjaani	Tbilisi
Signagi	Tbilisi
Akhmeta	Tbilisi, Shiraki
Importing To	**From**
Dedophlistskaro	Tbilisi
Lagodeki	Tbilisi, Azerbaijan
Signagi	Tbilisi, Turkey, Marneuli
Gurjaani	Tbilisi, Turkey

Goods produced in various districts of Shida Kartli region are mainly exported to Tbilisi, while the imported goods come from various places including Tbilisi, Turkey and Russia (see Table #6).

Table #6   Trade Links in Shida Kartli Region

Exporting From	To
Kaspi	Tbilisi
Kareli	Tbilisi
Gori	Russia
Importing To	**From**
Kaspi	Tbilisi
Kareli	Various Places
Khashuri	Turkey
Gori	Russia

In Guria region, goods produced in Lanchkhuti district are sold in Kobuleti, while imported goods come from various places including Tbilisi and Batumi (see Table #7).

Table #7   Trade Links in Guria Region

Exporting From	To
Lanchkhuti	Kobuleti
Importing To	**From**
Ozurgeti	Tbilisi
Lanchkhuti	Batumi, Ergneti

Goods produced in various districts of Mtskheta Tianeti region are exported mainly to Tbilisi. The imported goods mainly come from Tbilisi (see Table #8).

Table #8   Trade Links in Mtskheta Tianeti Region

Exporting From	To
Mtskheta	Tbilisi
Dusheti	Tbilisi
Kazbegi	Kobuleti
Importing To	**From**
Kazbegi	Vladicaucasus
Tianeti	Tbilisi
Mtskheta	Tbilisi
Dusheti	Tbilisi

No cases of exporting goods produced in various districts of Samegrelo and Racha-Lechkhumi regions were identified in the survey. Respondents indicated that imported goods come from Tbilisi and Kutaisi (see Table #9).

Table #9   Trade Links in Samegrelo and Racha-Lechkhumi Regions

Importing To	From
Samegrelo	Tbilisi
Racha-Lechkhumi	Tbilisi, Kutaisi

4.2.3   Business Environment

This section describes the types of businesses operating in the regions and business-related concerns of the communities.

Are you/ members of your household currently the owner/ co-owner of a business?

81% of the respondents noted that neither they, nor their household members are owners or co-owners of a business.

19% of respondents indicated that they or members of their household are owners or co-owners of a business.

The primary focus and terms of operations of the respondents' business

The primary focus of the respondents' businesses are:

Sale of household agricultural products	55%
Trade (kiosk, wholesale)	27%
Transportation (taxi, minibus, truck)	9%
Construction (carpentry, plumbing, electrical, bricking)	2%
Manufacturing (making clothes)	2%
Entertainment (video arcade, music, casino)	2%
Basic services (barber, sewing, shoe repair, auto repair)	1%
Food services (café, restaurant, bistro, etc.)	0%
Education (language lessons, tutoring)	0%

Average term of the respondents' business operations is 56 months, i.e. 4.7 years. There are almost no businesses providing any kind of services. Since half of the existing businesses focus on selling agricultural products, a focus should be placed on developing this sector. Communities should also be encouraged to develop service sector businesses as well.

80% of household businesses are located in rural areas. Household businesses in rural areas are focused on the sale of agricultural products whereas businesses in urban areas are predominately kiosks or wholesalers.

	Rural	Urban
Sale of household agricultural products	62%	28%
Trade (kiosk, wholesale)	21%	56%
Transportation (taxi, minibus, truck)	9%	11%
Other	8%	5%

Focus Group Insights   All communities said that people are engaged in subsistence level farming except for Gori and Marneuli where many people are trading goods in the market. Potatoes and wheat are predominately grown in Samtskhe Javakheti, grapes and corn in Imereti, citrus and tobacco in Ajara and a variety of fruit and vegetables in Kakheti and Marneuli. Only a few percent of people are able to grow enough to sell in the market.

Very few of the villages where focus groups were conducted had any sort of businesses in them. Keda district in Ajara and Adijeni district in Samtskhe-Javakheti have private lumber factories that process wood for building and furniture. Adijeni also has a small cheese factory started by Care. Persati village in Imereti has a wine

production facility and a furniture factory. Kaspi town has several businesses such as a cement factory, large bakeries, spirit, brick and wine factories as well as a fish farm.

# of people, women, men employed in the business

The average number of employees is 2.3, 40% of them are women and 60% men.

Plans and resources to expand current business or to start a new one in the next _two years_

69% of the respondents _are not going to expand their current business or to start a new one_. The main reason why these respondents are not going to expand their business or start a new one is **lack of savings** (85%).

21% of the respondents _plan to start a new business or to expand their current business_. About half of the respondents involved in the business activities (47%) **viewed own, or partners', savings as main source of finances** to start or expand their business. Other most frequently named resources to start/ expand business were bank credit (21%), help of micro-credit program (16%), and attraction of local partners/ investments (15%).

Focus Group Insights

Several communities suggested ideas for businesses which may or may not be sustainable. **Akhalsopeli village** in Ajara suggested creating greenhouses to grow tomatoes and cucumbers as well as flowers to sell during the winter when these products are imported from Turkey. **Siakhle village** suggested creating mini tobacco and juice factories as well as a mini hydro-electric power station for the village. **Persati village** had an idea to buy equipment to press saw dust from a local lumber yard into logs that could be sold to households for heating. They were also interested in creating an information center in the village since newspapers are expensive for them. The community group in **Kaspi Town** said that there is additional land available for farming if the irrigation system servicing it could be renovated. They also suggested a joint project with a group of Azeris. **Jokholo village** also suggested setting up a small scale juice processing facility. A group of entrepreneurs interviewed in Marneuli were involved in setting up a business to sell construction materials.

Has anyone in your household borrowed money in the last 2 years? If yes, what was the source of the last loan?

73% of the respondents said no one in their household had borrowed money in the last two years. For those ones who have borrowed money in the last two years, the main sources of the last loan were: relatives or friends - 61%, and commercial bank - 26%. Only 1% mentioned that they had borrowed from a microfinance organization.

The most important problems affecting businesses in urban/ rural areas

Respondents in rural vs. urban areas generally cited problems facing businesses in the same order with the top four problems being the same with little regional variation. Lack of capital appears to be a greater problem in urban than rural areas. **Poor transportation was indicated as a problem by twice as many people in rural areas.**

Guria and Racha Lechkhumi and Kvemo Svaneti ranked Criminal Situation as the third highest problem faced by businesses.
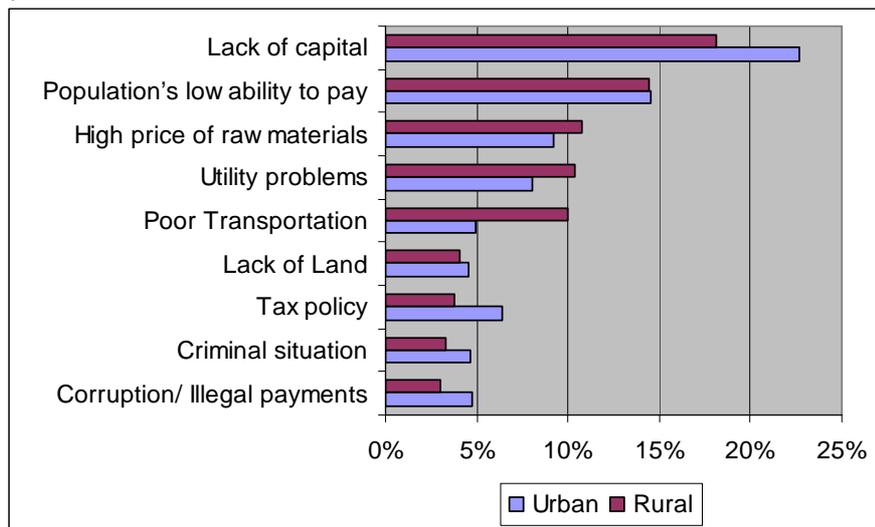
Focus Group Insights

Most communities complained of problems with irrigation systems, lack of technical equipment such as tractors and the high price of fuel and fertilizer as the main problems facing farmers.

4.2.4   Employment

Following is a presentation of respondents' employment situation including the sector and field in which they work. Personal income levels as well as household income and expenses are also described. The categories used for sector and field are those used by the State Department of Statistics. Self-employment includes any household business or farm.

Respondents' working status (primary activity)

47% of the respondents are employed

Employed		47%
	Self-employed	26%
	Employed by someone else	21%
Inactive		32%
	Pensioner	16%
	Housewife	14%
	Student	2%
Unemployed		21%

Sector of the respondents' primary activity

Sector of the 47% of respondents who are employed:

private enterprise (household farm/ own business),	56%
governmental body, organization or institution	23%
state owned enterprise	11%
commercial private enterprise	9%
non-governmental body	1%

Field of the respondents' primary activity

Field of the 47% of respondents who are employed:

agriculture, hunting, forestry or/and fishery	41%
education	18%
wholesale and retail trade, repair of vehicles or/and motorcycles	10%
manufacturing/ production	8%
Transportation, warehouse, economics services	5%
Other utility, social and personal services	5%

In rural areas 50% of those employed are involved in agriculture, 19% in education and 8% in trade. In urban areas the fields of employment are more diversified with 18% involved in trade, 16% in manufacturing/production, 15% in education and 15% in agriculture.
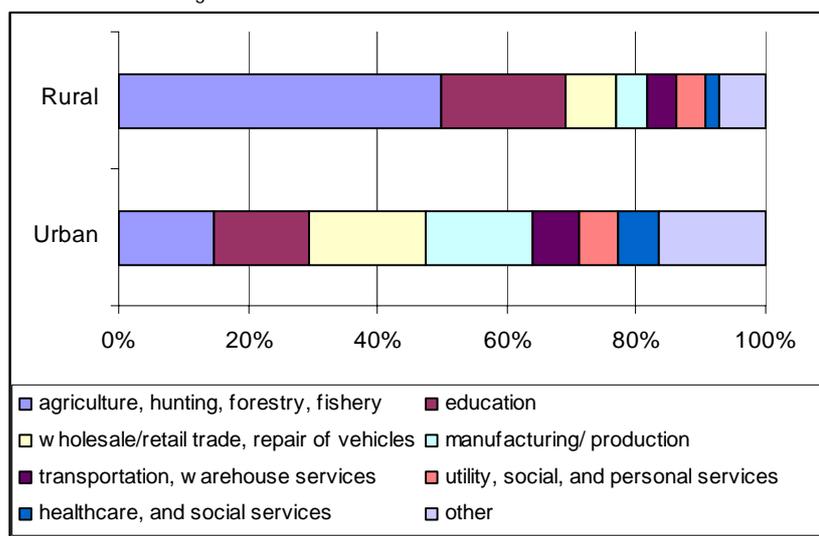
What is your personal average monthly income (in GEL), taking into account income for the last year?

Average **personal** monthly income is 75 GEL ($42). Almost all of the respondents (93%) make less than 200 GEL ($112) per month.
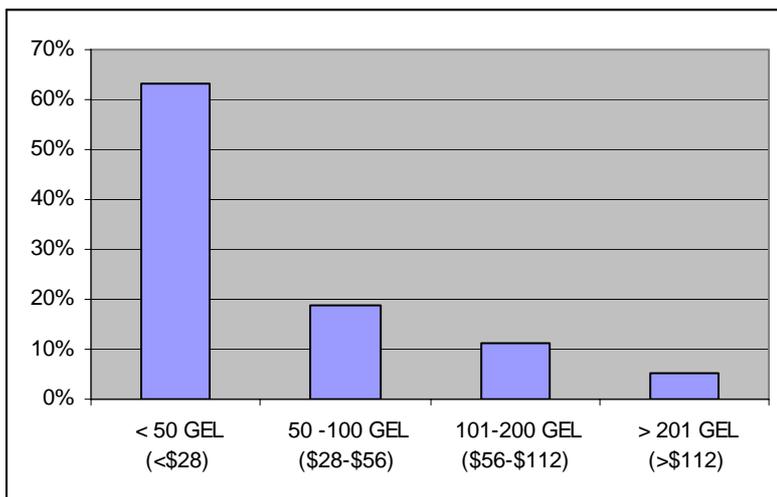
Number of people in household

Average amount of persons living in one household is 4.4. Among them on average are 1.6 men, 1.7 women and 1.1 child (under age of 18).

Number of household members that
(1) are able to work
(2) have income
(3) have regular income

On average 2.7 (61%) members of the surveyed households have the ability to work. 1.28 (29%) has income, and 0.8 (17%) has a regular monthly income.

Sources of household income

The most frequently named sources of **household** income were (1) salary, wages or/and income activities (65%), (2) age/veteran/disability pensions/student benefits (49%), (3) sales/exchange of agricultural products produced (37%), and (4) remittances from relatives within and outside Georgia (19%).

Frequency and Average Amount of household Income (in GEL) for *the last month*
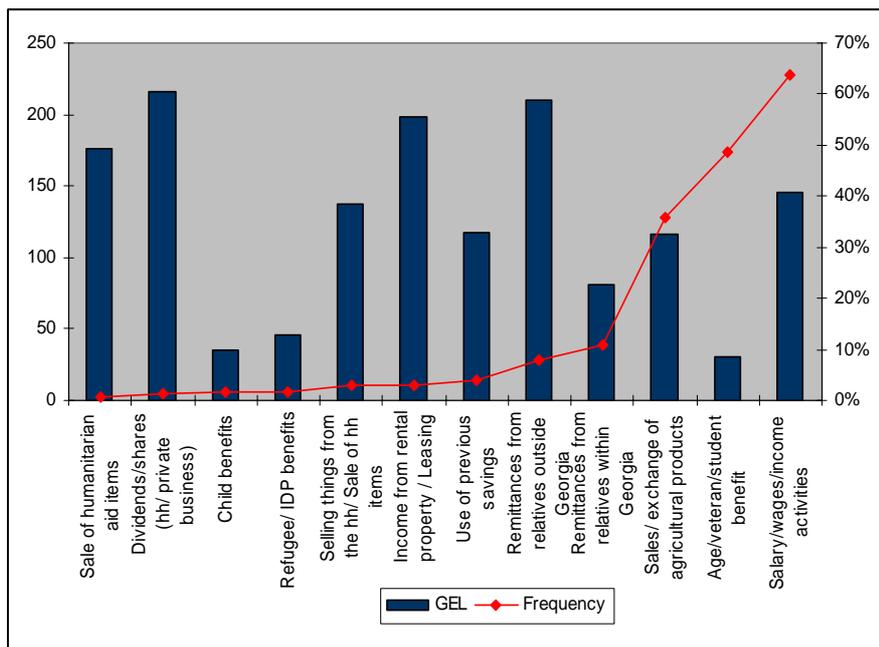

Percentage distribution of sources of household income

Mean monthly income in urban areas is 213 GEL ($118) and for rural areas is 178 GEL ($99). 58% of average urban household income and 43% of rural household income comes from salary/wages or other income activities. 31% of rural household income comes from the sales of agricultural products.
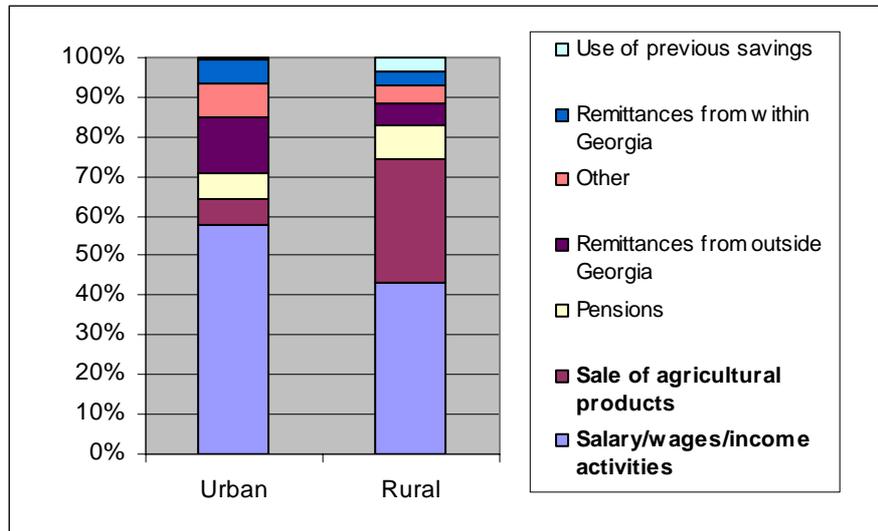
Change in household *income* in comparison with *two years* ago

For the 51% of the respondents monthly household income had stayed the same. 32% of the respondents claim that their monthly household income had decreased, while for 16% of the respondents it had increased.

**Average Expenditure of household for *the last month* (in GEL)**
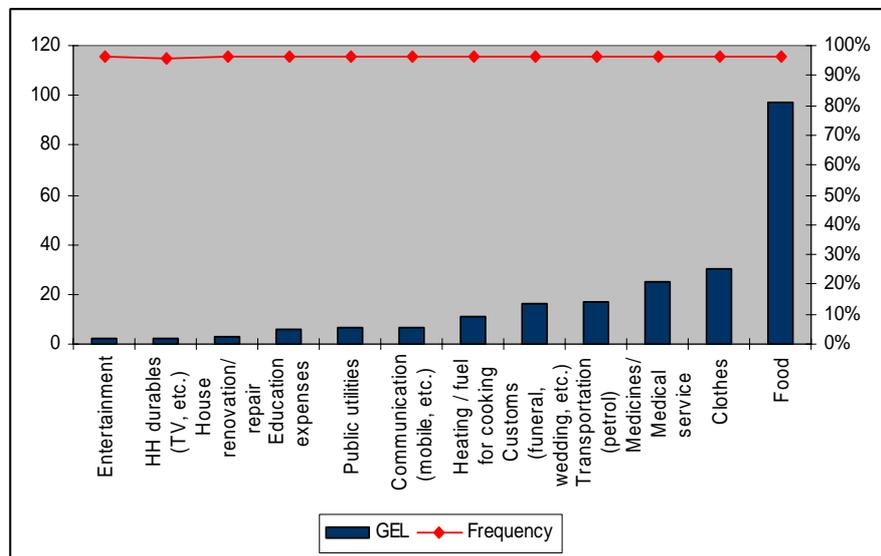
Change in household *expenses* in comparison with *two years ago*?

For 45% of the respondents monthly household expenses had increased, for 36% they stayed the same, for 13% it decreased, for 2.8% it decreased significantly and also for 2.8% it increased significantly.

**Average number of items in working condition owned by the household**
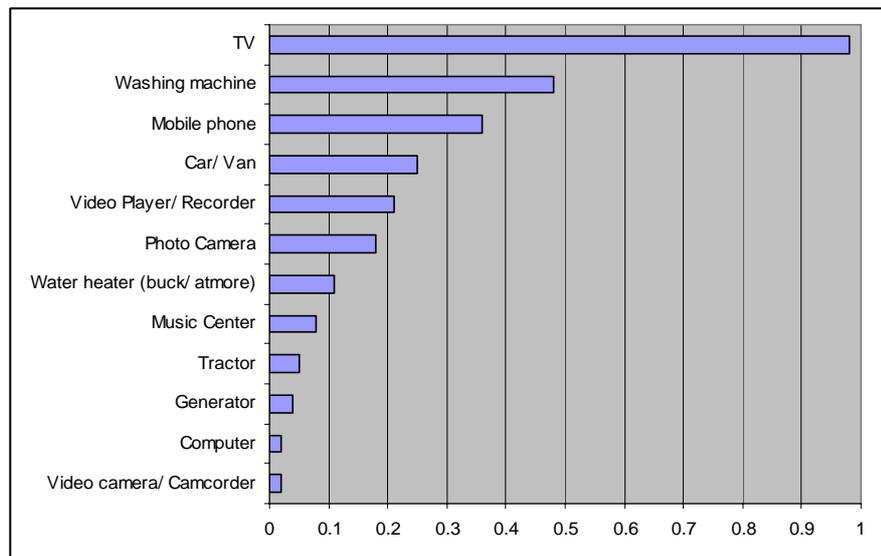
4.2.5 Satisfaction with Personal Economic Status

This section presents findings on the level of satisfaction of different aspects of the lives of the respondents, in particular: (1) satisfaction with their current job and its potential for future increased income according to sector and industry field, (2) satisfaction with personal economic situation in urban and rural areas, (3) community problems in urban and rural areas and (4) satisfaction with social services available in the community in both urban and rural areas.

Satisfaction with current job and its potential for future income according to the sectors

People are neutral in their satisfaction of government jobs, but more satisfied than any other employment sector. People running their own businesses or household farms were dissatisfied with both their employment status and their potential for future income.
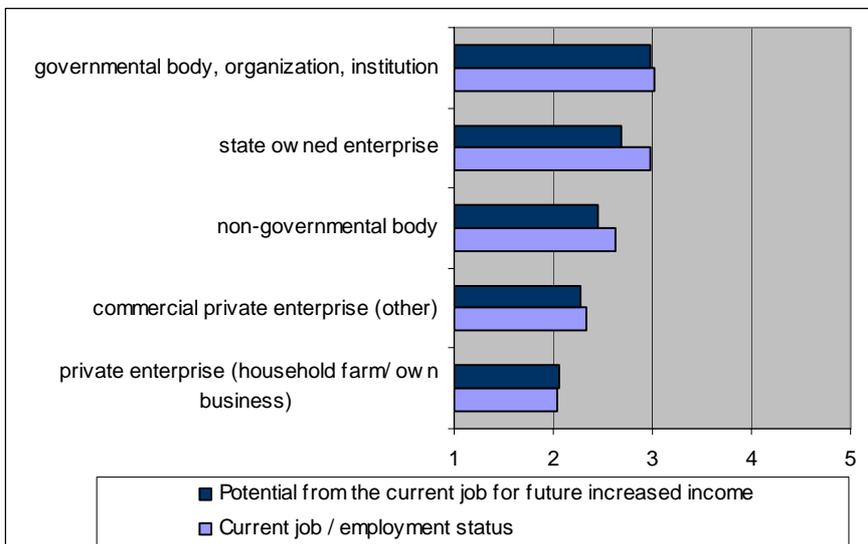
Satisfaction with current job and its potential for future income according to the industry fields

1=Very Dissatisfied
5=Very Satisfied

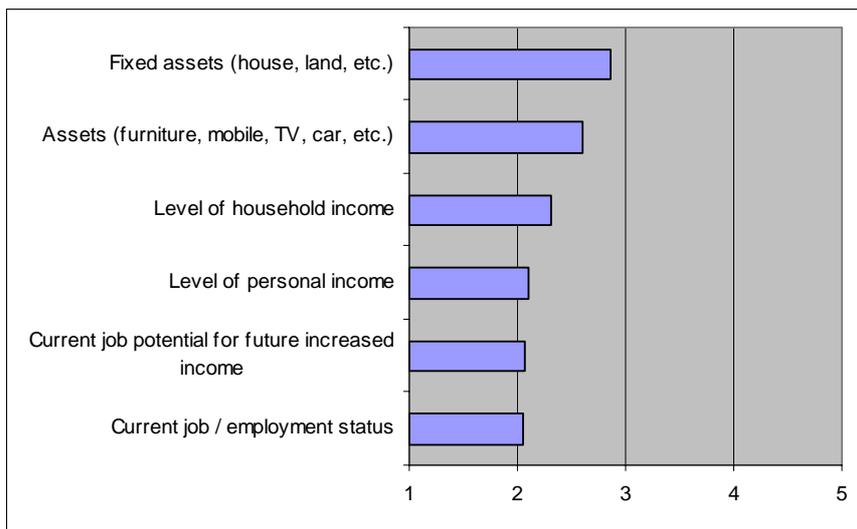Satisfaction level was highest with those employed in the police and military services. Those who make a living in the agricultural sector, which includes 41% of those that indicated that they are employed, are dissatisfied with their current situation.

Satisfaction with personal economic situation

1=Very Dissatisfied
5=Very Satisfied

Satisfaction with personal economic situation in   urban/rural areas

1=Very Dissatisfied
5=Very Satisfied

The satisfaction level with personal economic situation in urban and rural areas is similar. People are slightly dissatisfied with their assets and are generally dissatisfied when asked about their income and employment situation. The satisfaction of the respondents with their economic situation is as follows, ranked in decreasing order:

- Fixed assets (house, land, etc.) (urban – 2.80, rural – 2.88),
- Assets (furniture, mobile, TV, car, etc.) (urban – 2.70, rural – 2.56),
- Level of household income (urban – 2.33, rural – 2.31),
- Level of personal income (urban – 2.10, rural – 2.10),
- Current job / employment status (urban – 2.05, rural – 2.05), and
- Potential of current job for future increased income (urban – 2.02, rural – 2.09).

4.2.6   Community Leadership

This section presents findings related to leadership within communities, assessing types of informal and formal leadership that spark community initiative. This is assessed through inquiries relating to whom community members think should be responsible for community concerns and who community members actually turn to in order to address concerns. The results are then broken down by region.

Who *should be responsible* for your community concerns?

The majority of the respondents named the Council (Sakrebulo) Chairman (city/ village representative) and the Governor (district representative) as the persons who should primarily be responsible on dealing with community problems (39% and 41%, respectively).

To whom do you turn to address community concerns outside of your immediate family?

Sakrebulo Chairman and Governor were also named as individuals outside of the respondents' family to whom they would appeal for managing their community problems (36% and 38%, respectively).

Leader who should be responsible for community concerns by Region

When asked about the person who should primarily be responsible for community concerns almost all respondents answered either the Sakrebulo chairman or the district representative.

In Mtskheta Mtianeti, Shida Kartli and Guria more than 50% of the people think that the District representative is the person primarily responsible for community concerns, whereas in Kakheti, Kvemo Kartli, Samegrelo, Racha Lechkhum & Kvemo Svaneti and Ajara more than 50% feel the Sakrebulo chairman is the person primarily responsible.

Very few respondents mentioned any sort of informal community leader.
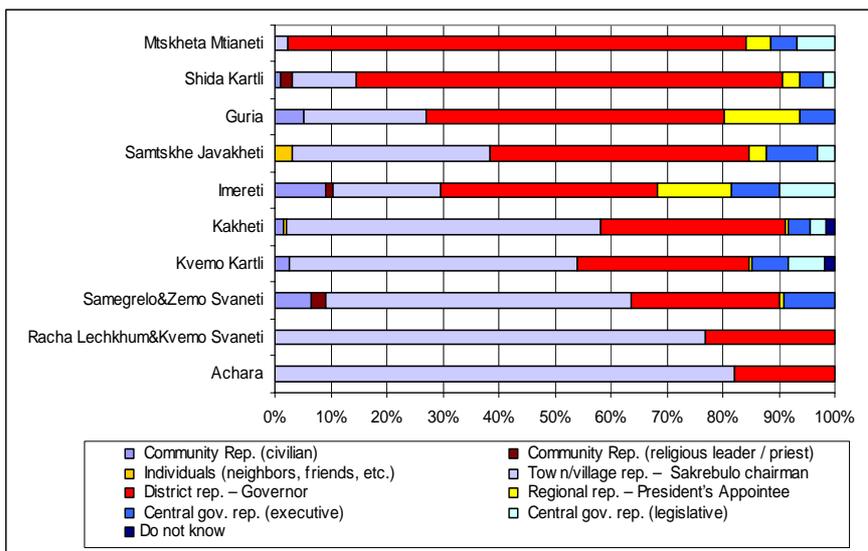
Leader who people turn to in order to address community concerns by Region

When respondents were asked who they turn to outside of their immediate family to address community concerns the responses differed, although people overwhelming chose local government representatives including the Sakrebulo chairman and the district representative. More than 50% of the populations of Kvemo Kartli, Ajara, Imereti and Mtskheta Mtianeti turn to the Sakrebulo Chairman to address their problems. Only in Samtskhe Javakheti and Guria did more than 50% indicate that they turn to the District Representative to address their problems.

In Samtskhe Javakheti about 80% people indicate that they turn to the District Representative, although many indicated that the Sakrebulo chairman is the one that *should* be responsible for community concerns.

In Kvemo Kartli and Ajara 75% said they turn to the Sakrebulo Chairman. This may indicate a higher level of trust among the officials they elected.

About 50% of respondents living in Samegrelo think that the Sakrebulo Chairman is the one that *should* be responsible, but community members seem to turn to a variety of different people to address their concerns.
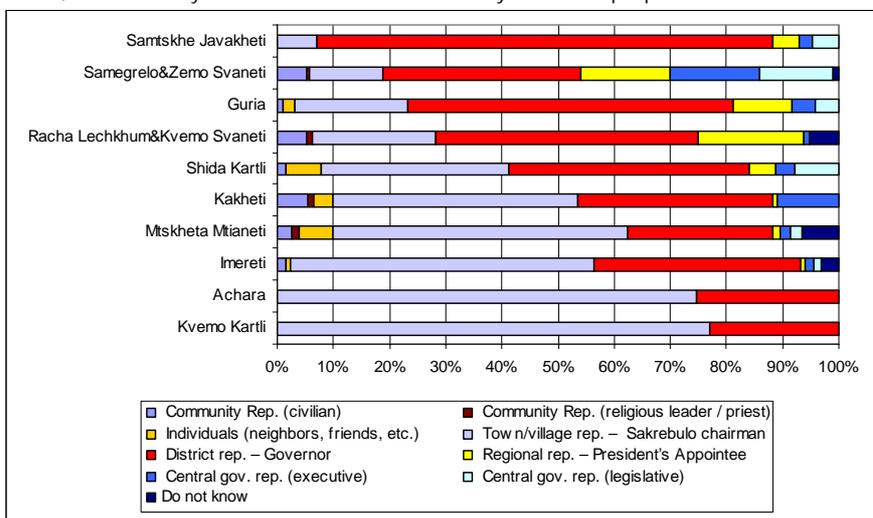
Region	Who should be responsible	Who people turn to
Samtskhe Javakheti	**Sakrebulo**/Governor	Governor
Samegrelo	**Sakrebulo**	Governor
Guria	Governor	Governor
Racha	**Sakrebulo**	Governor
Shida Kartli	Governor	**Sakrebulo**/Governor
Kakheti	**Sakrebulo**	**Sakrebulo**/Governor
Mtskheta Mtianeti	Governor	**Sakrebulo**
Imereti	Governor	**Sakrebulo**
Ajara	**Sakrebulo**	**Sakrebulo**
Kvemo Kartli	**Sakrebulo**	**Sakrebulo**

Leader Profile

The respondents from Ajara, Racha Lechkhumi & Zemo Svaneti, and Mtskheta Mtianeti could not describe the person, to whom they appeal to deal with their community concerns. Profiles of the community leaders across the other regions are very similar: Georgian male in his forties that is 80% of the time an elected official and in almost all cases, not involved in the business sector.

4.2.7   Perception and Engagement with Local Government

Building on findings from the previous section, this section investigates people's perceptions of local government (Sakrebulo and Gamgebelli). Responsiveness of local government was compared across regions and with people's satisfaction with their own economic situation. The numbers of times that government officials meet with community members was also measured.

Do you feel that the local government is responsive to communities' concerns?

53% are neutral in their opinion about the responsiveness of the local government to the communities' concerns. 18% of the respondents think the local government *is responsive* and 29% think it *is not responsive*.

Local Government Responsiveness to community concerns
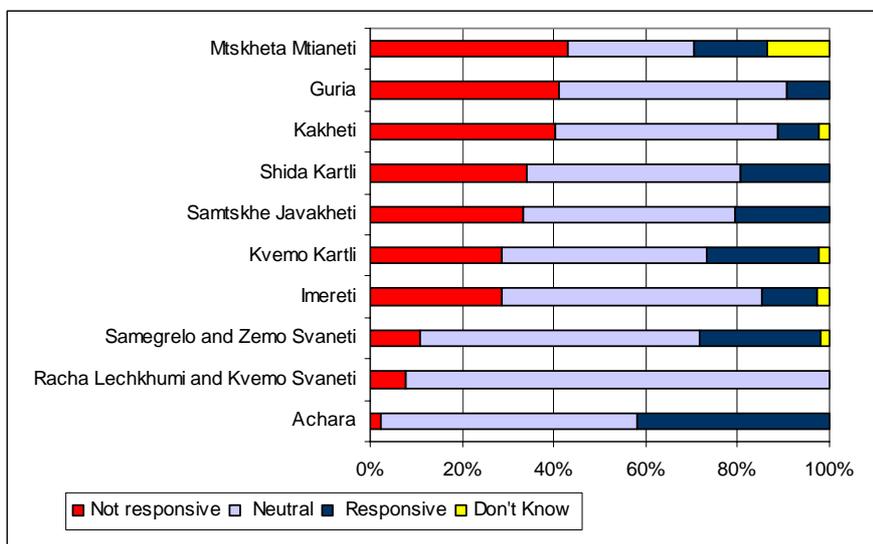
Considerable variations are exhibited across regions. Forty percent of respondents in Mtskheta Mtianeti, Guria and Kakheti view the local government *not responsive*, while forty percent of respondents in Ajara view the government as *responsive.*

Regions that have a high percentage of people that turn to the Sakrebulo to address community concerns do not necessarily perceive the local government as being more responsive.

	Responsiveness of local government	Percentage that turn to Sakrebulo
Guria	2.4	20%
Kakheti	2.5	44%
Mtskheta Mtianeti	2.6	51%
Shida Kartli	2.7	33%
Imereti	2.8	53%
Samtskhe Javakheti	2.9	7%
Kvemo Kartli	2.9	77%
Racha Lechkhumi and Kvemo Svaneti	2.9	22%
Samegrelo and Zemo Svaneti	3.2	13%
Ajara	3.4	75%

Focus Group Insights

Three groups felt that the local government works together with them, but 5 said that the local government is not responsive to their concerns and has no funds. One of these was a community with no group that said they are not formally organized and solve problems among themselves.

Does the local government (Sakrebulo) consider interests of small groups or entire population?

49% of the respondents stated that the local government considered interests of the whole population and 48% of them thought that it considered interests of small groups.

Interests considered by the local government (Sakrebulo)

90% of Ajarans' believe the government considers the interests of the entire population as does the majority of respondents in Samegrelo and Shida Kartli. The governments of Racha Lechkhumi, Imereti and Kvemo Kartli are not viewed as favorably and are seen as only considering the interests of small groups. Respondents in other regions are divided in their opinions.
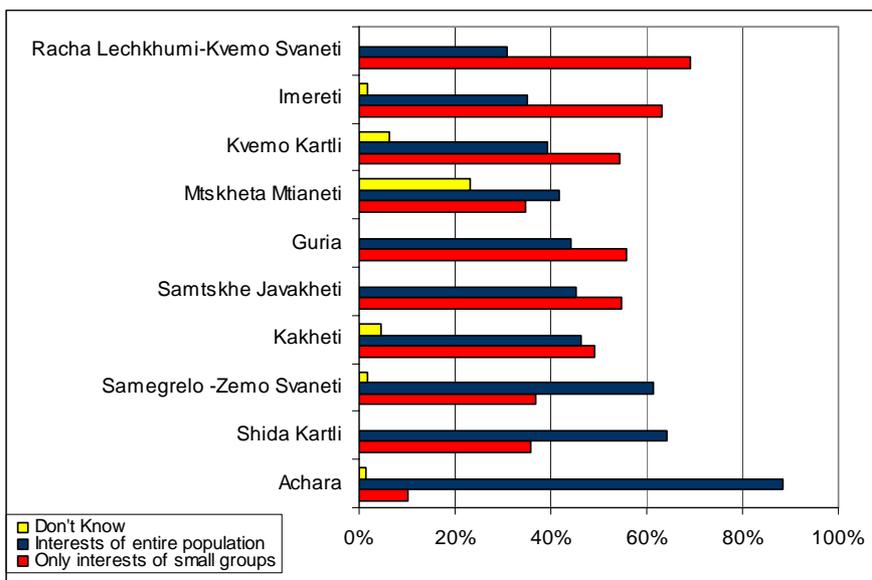
Small groups interests considered by the local government (Sakrebulo)

Those respondents who noted that the local government considers the interests of small groups were also asked to indicate which groups they feel are favored by the government. In the majority of cases (75%), friends, relatives, neighbors, etc. were named as those small groups and were followed by the group of rich/ privileged people (12%).

The percentages were distributed as follows: 100% in Ajara, 100% in Mtskheta-Mtianeti, 85% in Racha-Lechkhumi and Kvemo Svaneti, 80% in Samegrelo – Zemo Svaneti, 75% in Imereti, 72% in Shida Kartli, 69% in Samtskhe-Javakheti 66% in Guria, 65% in Kakheti, and 63% in Kvemo Kartli.

Attendance of gathering/ public meetings with a government official(s) over the last _two years_?

79% of the respondents had never participated in/ attended the gatherings/ public meetings with the government officials other than ones related to the elections. The percentages of people that have attended a meeting with a government official are highest in Ajara (42%) and between 15% and 30% in the other regions.

Even though almost 80% of people have never attended a meeting with a government official, 91% indicated that they turn to the government to address their concerns. This indicates that community groups should be willing to actively engage local governments since they already turn to them regarding community concerns.

Perception of local government responsiveness compared to satisfaction with personal economic situation.

While almost all respondents view their employment status and potential for future income as unsatisfactory, those that view their current situation more favorably also tend to view the local government as being more responsive to the needs of the community. This holds true in the case of current employment, income as well as amount of personal assets. This may indicate that local governments are more responsive to those with higher income or status.

Perception of local government responsiveness by people with different satisfaction with _current job and its potential for future income_

1=Very Dissatisfied
5=Very Satisfied
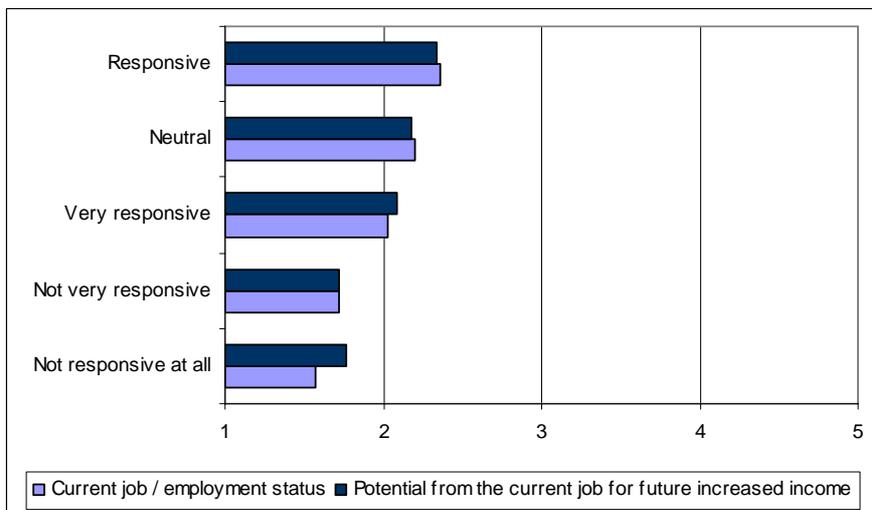
Perception of local government responsiveness by people with different satisfaction with *household and personal income*

1=Very Dissatisfied
5=Very Satisfied

Perception of local government responsiveness by people with different satisfaction with *assets*

1=Very Dissatisfied
5=Very Satisfied
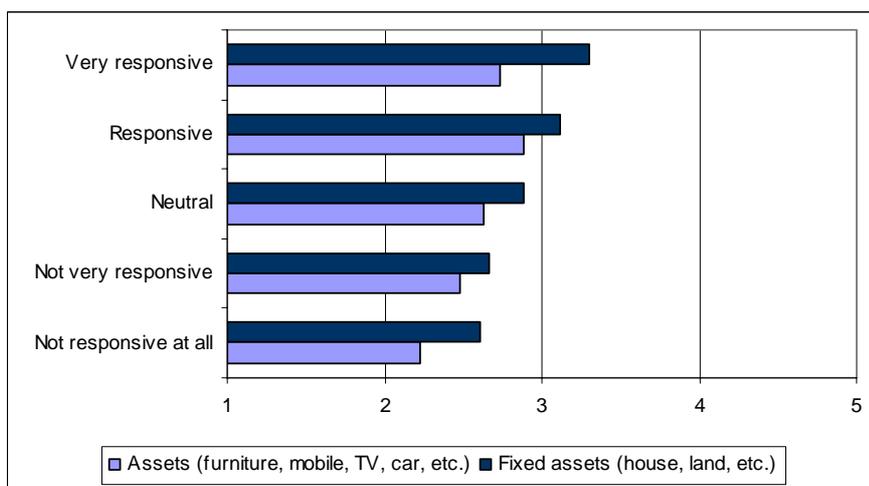
4.2.8   Inter-Ethnic Relations

This section provides insight into issues related to community ethnic groups according to the following parameters: (1) representation of different ethnic groups in the communities, and (2) the communication/ relations between them in general.
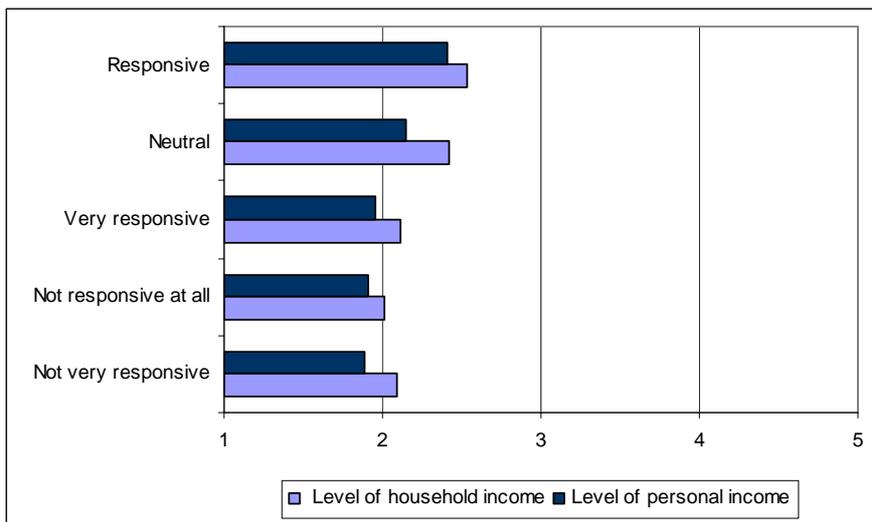
Representation of different ethnic groups

15 ethnic groups were represented in the communities covered by the study. The ethnic composition of these communities was as follows:

Georgians	86%
Azeris	6%
Armenians	6%
Russians	1%
Ossetians	1%

Other ethnicities include: Greeks, Abkhazians, Kurds, Moldavians, Ukrainians, Lezghins, Germans, Christians, Tajiks, and Jews.

Ethnic Misunderstandings/ Conflicts

30% of respondents indicated that there is more than one ethnic group in their community. 91% of these people have never heard about or experienced misunderstanding or conflict between people of different ethnic groups in their community for the last two years. The average number of cases when respondents heard or experienced such ethnic conflict in their community is 4.

Reasons of the misunderstandings/ conflicts

The reasons of the *last misunderstanding/ conflict* that took place in the community were **disputes over personal issues (34%), personal property (33%), and agricultural land (23%)**. The *typical reasons of such conflicts* were disputes over personal issues (43%), agricultural land (29%), and property (28%).
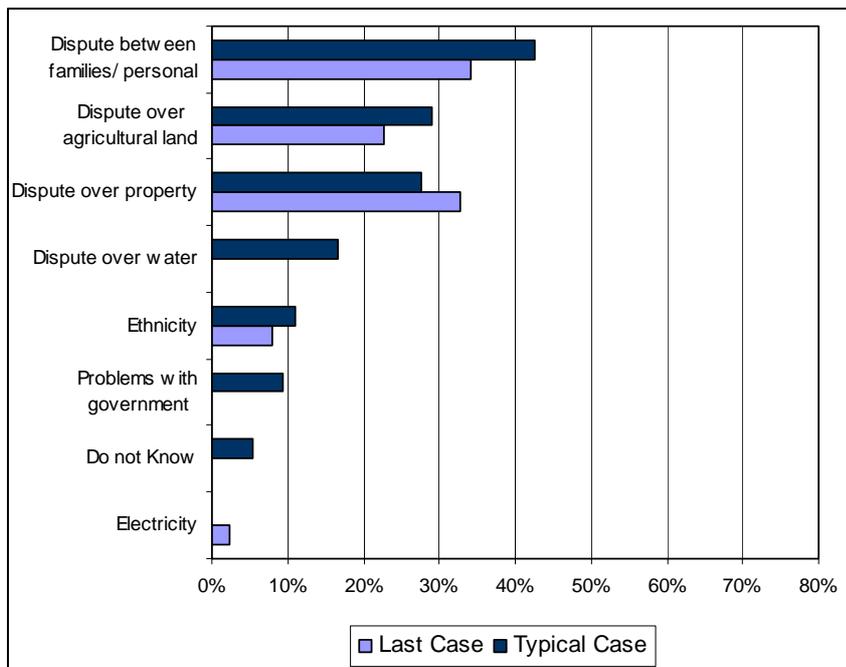
Types of relationship between ethnic groups	**42%** of the respondents indicated that they or members of their household **have a relationship with people from other ethnic groups**. These relationships involved neighbors (51%), friends (45%), marriages (24%), business relationships (16%) and acquaintances (1%).
Assessment of relationship between ethnic groups	In majority of the cases (83%) the respondents assessed the relationship between the different ethnic groups in their communities as good and excellent, in the 16% - as average, and in 1.4% - bad and very bad.
Focus Group Insights	Most focus groups listed the other villages in their Sakrebulo when asked about neighboring communities. None indicated that they had poor relations with other ethnic groups, whether in their community or in neighboring ones. Almost all of the groups were in single ethnic areas. Three villages were all Armenian families and one was all Azeri. Three of the predominately Georgian areas contained a small ethnic minority and one Azeri town contains some Georgians. **Interaction between ethnic groups took place mostly in markets where different people are coming together for trading.** Only one community of Azeris said that no one spoke Georgian, although several of the Armenian communities said that community members speak mostly Russian and Armenian. All communities had Georgian language schools except one Azeri and three Armenian one where the medium of instructions are Azeri and Armenian respectively. The town of Gori also has Russian and English schools.

4.2.9   Community Organization and Initiative

This section presents findings on the level of organization and types of representation (1) within communities, and (2) between communities. Community groups include not only formally organized groups, but also any sort of indigenous organization with the community.

Have you heard of any formal or informal groups?	91% of the respondents had not ever heard of any kind of community formal or informal group. In the remaining 9% of cases, 3% the respondents had heard of a general community group, 3% a youth group, 1.4% a women's group and 1.3% an entrepreneur group.
Have you ever been a member of any formal or informal groups?	Of the 9% of respondents that have heard of a group, 84% have never been a member of any community group. Remaining respondents mentioned that they have been members of youth group, women's group, general community and men's groups.
Most active group	The 9% of respondents that have heard of a group were asked to note which one of the community groups was most active. 32% of respondents said a general community group, 23% a youth group, and 13% a women's group.
Group composition	Rate of "Do not know" answers was very high in regard with questions about composition of community groups among those respondents who were aware of some of community group.
	78% of respondents are not aware of the total number of community group members, 82% are not aware of number of women, 84% are not aware of number of ethnic minorities, 82% are not aware of number of youth (18-30) and 86% are not aware of number of villages represented in the community group.
How was the group formed?	Out of the 9% of respondents who have heard of a community group, 31% *are not aware* of the ways community groups were formed. Out of the remaining respondents who *are aware*, 40% of the respondents said

it was with help of International/ local NGO, 26% of the respondents said the groups were self-organized, while in the 3% of cases it was noted that community groups were supported by a limited company.

Mobilized Communities

Twenty percent of quantitative surveys were conducted in communities previously mobilized by NGOs. Each community member surveyed was asked questions regarding:

- o Awareness of the community groups/ projects/ supporting organization
- o Participation level
- o Activeness of the community groups (in general and in regard with local government)
- o Average size of the community group, and
- o The level of satisfaction with the projects that were implemented by the community groups.

For each of the regions surveyed, the following observations were made:

- o Ajara: one project completed and no community member had heard of community group
- o Guria: 12 projects completed and only members of one village have heard of a youth group.
- o Imereti: 7 projects completed and all three areas in Kutaisi surveyed have heard of some sort of community group.
- o Two projects completed in Samegrelo & Zemo Svaneti region, but neither village has heard of a community group.
- o Kakheti: 14 projects completed. All three villages have heard of community groups.
- o Kvemo Kartli: 6 projects completed, but none of the three villages know of any community groups.
- o Samtskhe Javakheti: 16 projects completed in Akhalkalaki and Akhaltsikhe towns, but no community members know of any groups
- o Shida Kartli: 4 projects completed and community knows of groups.

Has your community group completed or have current projects? What sector was the project that the group completed focused on?

Out of the respondents who are aware of a community group, 30% *are not aware* of any completed/ current projects of the community groups. In the remaining cases, when respondents *were aware* of the community projects, the most often named focus of the completed/ current projects of the community groups were social infrastructure (51%), and education/training (18%).

Was/is the project beneficial to your community?

All respondents who know about completed/ current projects of the community groups noted that the community group project was/ is still beneficial for their community.

How often does the community group interact with the local government?

Out of the respondents who are aware of a community group, 63% could not answer how often their community group interacted with the local government.

Once or more a month	10%
Periodically / Irregularly	10%
Once every three to four months	9%
Once per year	4%
Never	4%
Don't Know	63%

Focus Group Insights

All communities had completed some sort of organized project. In two communities where World Vision was active, projects were implemented directly with the local government. As a result, no community groups were formed.

Community groups assisted by NGOs were usually composed of 5-7 community members that still meet on a regular basis to discuss community problems. The frequency of the meetings ranged from daily to monthly. Periodically the groups have larger meetings and invite the whole community. Projects completed include building repairs, road reconstruction and water and irrigation system rehabilitation. Because of lack of funds, self-initiated projects are much smaller in scope and include minor repairs to infrastructure and town clean-ups. Almost all groups expressed satisfaction with the results of the projects. Several of the groups include local government representatives and expressed that they have a good relationship with the local government and get contributions from them for projects.

Representatives from a total of 20 groups were interviewed in focus groups. In order to make the information gained about group projects more meaningful, representatives from 22 more groups were phoned. Of these 42 groups:
- o 32 were organized with NGO assistance / initiative
- o 5 were self-formed
- o 21 initiated their own projects
- o 18 completed their own infrastructure projects
- o 12 completed their own social sector projects
- o 5 created linkages with businesses

5 Conflict-prone Regional Findings – Samtskhe Javakheti & Kvemo Kartli

Kvemo Kartli and Samtskhe Javakheti, central southern regions of Georgia, are characterized by great diversity. Historically home to different ethnic groups – particularly Azeris in Samtskhe Javakheti and Armenians in Kvemo Kartli -- these regions have grown accustomed to accommodating their diverse population.

During Soviet times, Samtskhe Javakheti and Kvemo Kartli were considered sensitive areas due to their proximity to westernized Turkey. To keep interaction with western ideas at a minimum, the Soviet Union isolated the regions, inadvertently creating a negative effect on the overall development of the regions. This imposed isolation and development lag further distanced the ethnic population of Samtskhe Javakheti and Kvemo Kartli from the mainstream Georgian society. Today, community schools and local systems in Azeri or Armenian can be found, and in certain areas one might be hard-pressed to find a Georgian speaker.

To address the pressing development needs and potential for conflict, a large portion of GEII program activities will be implemented in these two regions. This section gives a more in-depth picture of the regions. This includes <u>quantitative data obtained from the structured survey as well as the qualitative information obtained from twenty interviews</u> conducted with community leaders throughout these regions in order to gain a more rounded view of the socio-economic picture.

5.1 Kvemo Kartli Region

Kvemo Kartli has a population of about half a million people, and is home to almost the entire Azeri population of Georgia. The region is about 45% Azeri and 45% Georgian overall, also including smaller groups of Armenians, Russians and ethnic Greeks. Many of the Azeri communities have schools that are taught in the Azeri language. Kvemo Kartli is strategically located, bordering both Armenia and Azerbaijan, and is a trading center for goods bound for Tbilisi and Armenia.

5.1.1 Perceptions of "Community"

Representation of different ethnic groups

15 ethnic groups were represented in the communities covered by the survey. The ethnic composition of these respondents are as follows: Georgians (46%), Azeri (33%), Armenians (15%), Greek (2%), Russians (2%), and others (Ossetians, Abkhazian, Kurdish, Moldavian, Ukrainian, Lezghin, Germans, Christians, Tajik, Jews).

Understanding of "Community"

Translation of 'Community': According to the results of in-depth interview, there is no common understanding of "community" among the formal and informal leaders in the community. While there is a word for *community* in Georgian (*temi*), the word is not commonly used. When asked about the meaning of the word *neighborhood*, some respondents still cannot explain its meaning.

> *"In my opinion, this is not a Georgian word, and I do not understand its meaning" [Kvemo Kartli, Tsalka District, Ashkala Village, Artur Sarkisyan -Local Government Rep. (Member of Sakrebulo)]*

Understanding of "community" varies a lot from one community leader to another. The community leaders describe "community" as group of people united according to the follows characteristics:

- work together

> *"Some union… labor union…." [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]*

- have common views/ interests, problems/ concerns, and goals

> *"Group of people who is interested in the same business and do it together" [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]*

- live in the same village/ city

> *"In my opinion, community is a people who live around me" [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

- have the common roots/ customs

*"Community is a group of people who live on the same land, have common customs, work together, study in the same school and. . . know each other for a long time" [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**-Local Government Rep. (Chairman of Sakrebulo)]*

According to the survey results conducted in Kvemo Kartli, minimum number of communities in the village/ city is one, while maximum is thirty. As for number of households in the community, the minimum number named is 200, and maximum is 2500.

*"We have one big community" [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

"There are 30 communities. There are many communities in Tsalka, but there are few households in each community, as Greeks moved into other district or left the country forever . . . there are about 20 households in one community" [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]

*"There are 2500 houses and about 5000 people in one community" [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

"There are 5-6 communities in our city. . . . 400 or 300 households in each. Munimum number can also be 200". [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]

According to the survey results conducted in Kvemo Kartli, number of women in community is higher than that of the men. The number of youth (18-30) represent a minimum of 10% and maximum 30% of the communities. According to the respondents, the main reason of low representation of youth and men in the community is that many of them leave their communities to seek jobs.

*"55% is women, and youth makes about 15%". [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

"There are many women 70%. few young people, 20-30%" [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]

*"For the time being, there are many women, as young people and men mainly go to other places to work. It is difficult to them to live here. Some of them are in Russia, some – in Turkey. Young people of 18-30 has left. ... " [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

Understanding of "Neighboring Community"

According to the studied formal/ informal leaders of the communities in Kvemo Kartli, "neighboring community" is a nearby village.

*"Neighboring community for me is neighbor village, and people there are also Azeri" [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

*"Greek and Azeri settlement in Ganakhleba. 90% are Azeri, 10% - Greeks". [Kvemo Kartli, Dmanisi District, Karabulaki Village, **Jakhangir Orujov**- Local Government Rep. (Head of Sakrebulo)]*

*"In the neighboring community I consider Gardabani District, where 50% are Azeri, 30% Georgians, 20% is made up of Armenians, Assyrians, Russians, Kurds, etc. [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

*"This is a population located in the neighborhood... All of them are Azeri. .." [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

Factors that determine whether communities are different or similar are as follows:
- Ethnicity
- Customs
- Similar problems
- Agricultural products produced
- Similar environment
- Economic situation

The goal is common but perhaps we differ in interests. The basic similarity is in agriculture in the communities of Tsalka, and the difference is in the nationality. [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]

*"There are many similarities, as the others are also Azeri. We have similar customs, traditions, etc. There is almost no difference" [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

*We live in one area and we are similar. The similarity is that we live in the same area and we have the same problems. The difference is that we are Azerbaijani and they are not. [Kvemo Kartli, Dmanisi District, Karabulaki Village, **Jakhangir Orujov**- Local Government Rep. (Head of Sakrebulo)]*

*"From the viewpoint of economic situation, we are in the same situation, pensions, electricity supply are the same. [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

Relations with neighbor communities were assessed as positive by some of the respondents, and as negative – by others:

- positive

"I cannot say it is excellent, but would say it is on medium level" [Kvemo Kartli, Marneuli District, Marneuli City, Amiran Shubitidze – Local Government Rep. (Governor)]

*"We have relations with them. They are mainly Azeri. We trade with each other, are each others' relatives..." [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

*"We are very close, relatives". [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

"Friendship, business...." [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]

- negative

There are many cases, when Ajaran and Svan people oppress Greeks, rob their apartments. They even killed one person in the Soviet period. There even was a big fight. Now we, all of us have to leave this place. [Kvemo Kartli, Tsalka District, Ashkala Village, Artur Sarkisyan -Local Government Rep. (Member of Sakrebulo)]

5.1.2   Local Economy and Employment

This section describes the economic situation in Kvemo Kartli, the problems it faces as well as the trade linkages and opportunities for entrepreneurship that exist. It also describes respondents' economic situation and investigates the local business environment as well as the availability and satisfaction level with infrastructure and services.

5.1.2.1   Infrastructure and Social Services

This section describes the availability of social services in Kvemo Kartli as well as communities' satisfaction level with the services that they use.

Availability of Social Services
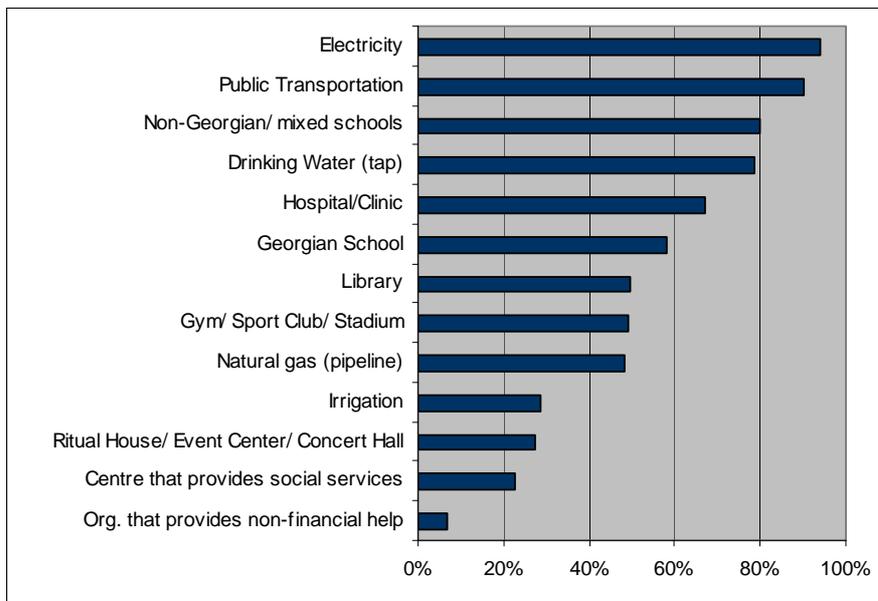
Satisfaction with Social Services

1=Very Dissatisfied
5=Very Satisfied
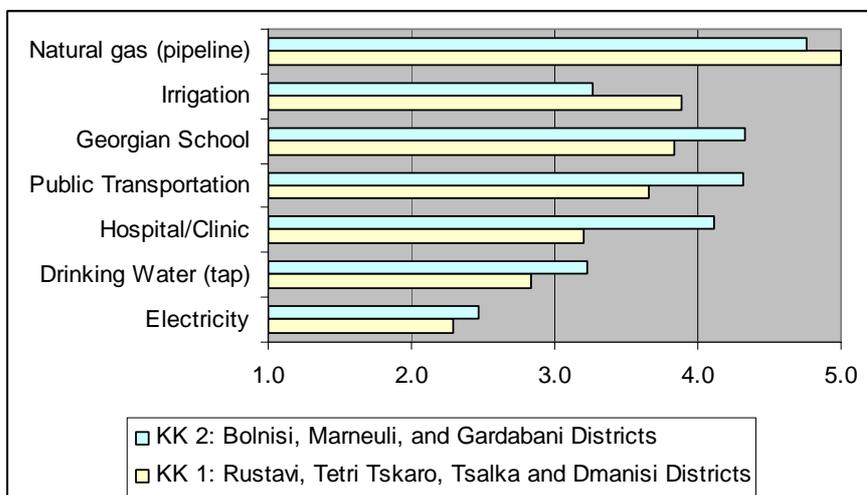
Satisfaction level with social services in areas that are mainly Azeri (KK2) and areas that are mainly Georgian (KK1).

*The situation is satisfactory, we have electricity, gas, roads and so on. [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

*We have school, electricity, water. [Kvemo Kartli, Dmanisi District, Karabulaki Village, **Jakhangir Orujov**- Local Government Rep. (Head of Sakrebulo)]*

We have only a school in the village. We have library it was repaired. We do not have any infrastructure besides school and library that does not function well to serve our future generation [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]

The services <u>*unavailable or in bad condition*</u> in the communities of the community members are as follows:
- roads
- water supply
- gas supply
- electricity supply
- heating in schools and hospitals

Big cars (lorries) destroyed the roads. The roads are old and do not meet standards… [Kvemo Kartli, Tsalka District, Ashkala Village, Artur Sarkisyan -Local Government Rep. (Member of Sakrebulo)]

*"... Water supply is bad". [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]*

There is no gas. Electricity is provided in the evenings. . . . [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]

*Beside the problems in electricity and gas supply, we have problems in heat of schools and hospitals. [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

5.1.2.2   Local Economy

This section describes changes in economic conditions over the past two years in Kvemo Kartli, the main problems facing communities, community migration and trade linkages with other communities.

Assessment of Economic Situation

50% of the respondents noted, that the economic situation of their community has not changed in comparison with the situation two years ago. 22% of the respondents think the situation was improved, while for the remaining 28% fell that it has gotten worse.

The community leaders were also asked to assess economic situation in their community. The economic situation in communities was assessed differently by the leaders. Particularly:

- satisfactory

Compared to other areas it's good. Those who are engaged in agriculture earn their living. [Kvemo Kartli, Tsalka District, Ashkala Village, Artur Sarkisyan -Local Government Rep. (Member of Sakrebulo)]

*It's improved for the last years. Pensions and salaries are delivered in time. [Kvemo Kartli, Dmanisi District, Karabulaki Village, **Jakhangir Orujov**- Local Government Rep. (Head of Sakrebulo)]*

- NOT satisfactory

*Each year is worse, we haven't had such poverty yet, community budget is so poor that the salary for school teachers is 45 lari. [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)].*

*There's poverty there, the population in my community is unemployed and this unemployment is more apparent here then in other regions.. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

Community problems and their solution
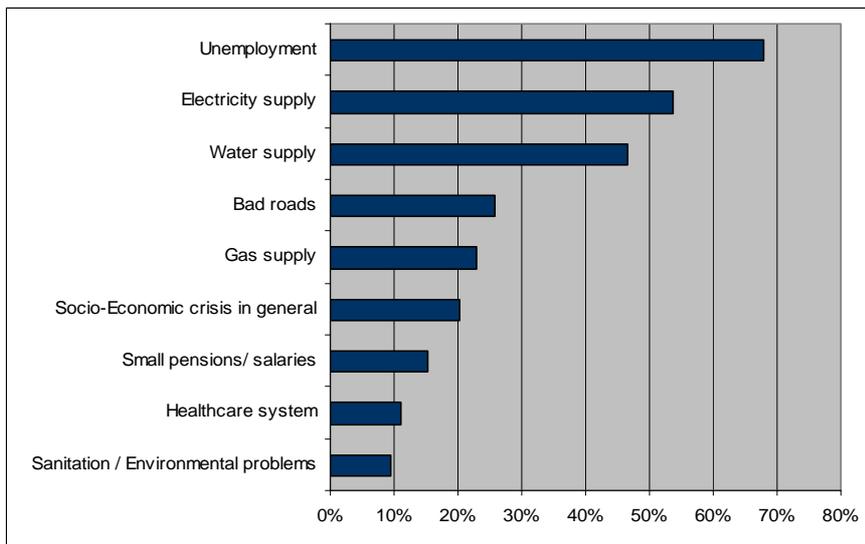
The main problems of the communities the respondents belong to are as follows:
- unemployment
- inability sell real estate
- gas, water and electricity supply
- no entertainment places for youth
- lack of living space

> *The basic problem is unemployment. Unemployment causes all the problems."* [Kvemo Kartli, Marneuli District, Marneuli City, Amiran Shubitidze – Local Government Rep. (Governor)]

> *Basically it's providing newcomers with water supply, electricity and unemployment. The company working on the pipeline is temporary and then people will be out of work again. [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]*

> *Problems connected with electricity, gas, water, roads, land. [Kvemo Kartli, Dmanisi District, Karabulaki Village, **Jakhangir Orujov**- Local Government Rep. (Head of Sakrebulo)]*

> *There are many problems. The youth has no possibility to go to clubs, we need a sponsor that we don't have. To solve problems. [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]*

> *Local budget is very poor... This budget is hardly enough for everyday problems. The biggest problem is water...[Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]*

The respondents were asked to name the ways the problems of the communities are resolved, and assess their satisfaction level with problem solution. Some of the studied formal and informal leaders of the communities are satisfied with the ways/ results of problem solutions, some – not.

- satisfied

> *The people solve small problems mostly by themselves, the local government solves more big and difficult problems. I can say that I'm content with the results of solving those problems. [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

- Not satisfied

> *We can't solve them in reality, I'm not content. [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]*

> *We solve our problems ourselves. We solve them with own forces and possibilities. We repaired the electricity network with the finances of our community. I want positive changes. I want the government to be more interested in solving our problems. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

Migration Issues

64% of the respondents noted, that over the last two years there in their community people move out of the community. The main reason of people leaving is lack of employment opportunities (94%).

According to the community leaders, there is a tendency of people moving out of their communities. The main reason of migrating from the community is economic situation.

> *Yes, they emigrate due to poverty... to Russia, Azerbaijan…immigration is less…mainly they coming in for summer work from West Georgia [Kvemo Kartli, Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]*

> *No one can stop these people. Their neighbors, relatives have left… [Kvemo Kartli, Tsalka District, Ashkala Village, Artur Sarkisyan -Local Government Rep. (Member of Sakrebulo)]*

> *There are very strong emigration tendencies here. The young people have no jobs... it is poverty here... and they go to Russia, Armenia. [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]*

10% indicated that people are moving into their communities. 40% of these cited employment opportunities and 30% said opportunities to buy land.

Agricultural Production and Trade Linkages

According to the community leaders interviewed, the main products produced in the studied communities of Kvemo Kartli are as follows:
- potatoes
- corn, wheat, beans, etc.
- meat/ cheese
- tomatoes
- onions
- beer
- cement
- grapes
- citrus
- ammonium nitrate

The products produced in the communities from where the respondents come from, are sold locally or outside of the community. It should be mentioned, that the products that are sold locally, very often are bought by traders from Tbilisi, and other regions of the country.

- local market (Marneuli)

> *People come from all the regions of Georgia. They come themselves and take what they need. . . . [Kvemo Kartli, Marneuli District, Marneuli City, Amiran Shubitidze – Local Government Rep. (Governor)]*
> *It's sold in the local market. People come from other regions and they buy our products. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, Takhir Gajaev – A community group leader or active member (School Director)]*

> *Locally, or people come from the east of Georgia. If he's a successful farmer he takes there himself. Basically the potato [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]*

- outside of community (Tbilisi, Rustavi, etc.)

> *They sell their products in Rustavi, Tbilisi. The local citizens and traders sell it. [Kvemo Kartli, Gadabani District, Kalinino Village, Rasul Gasanov- Local Government Rep. (Chairman of Sakrebulo)]*

According to the respondents, there in the market are available all types of products, some produced locally and others imported. The products that are imported mainly come from the following places:
- Tbilisi
- Neighboring communities (Bolnisi, Gardabani, Marneuli, etc.)
- West Georgia (lemons, mandarins)
- Azerbaijan, Turkey, Russia (tea, oil, sugar)
- Armenia (fish)

> *In the market you can find imported as well as locally produced product. E.g. potatoes, tomatoes and onions are produced locally, while lemon and mandarin are imported from west Georgia and all other products from Azerbaijan. ...most products are imported from Azerbaijan. [Kvemo Kartli, Marneuli District, Sabirkendi Village, Khasan Badalov – Local Government Rep. (Head of Sakrebulo Deputy)]*

> *All those products that we cannot find in the local market, we buy in Bolnisi or Marneuli. [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]*

> *The products that are not produced locally (e.g. tea, oil, sugar, etc.) are imported from Tbilisi, Azerbaijan, Turkey, and Russia. [Kvemo Kartli, Gadabani District, Kalinino Village, Rasul Gasanov- Local Government Rep. (Chairman of Sakrebulo)]*

> *Greens are imported from Marneuli, Tbilisi and Kutaisi, while fish - from Armenia. [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]*

5.1.2.3   Business Environment
This section describes the types of businesses operating in Kvemo Kartli and business-related concerns of the communities.

Business Activities/ Trade Linkages

86% of the respondents or any members of their household are not currently the owner/ co-owner of a business.

The same is claimed by the community leaders. They noted that either the amount of people in their communities involved in business is very low or there are not any businessmen in the community.

Problems of Local Businesses
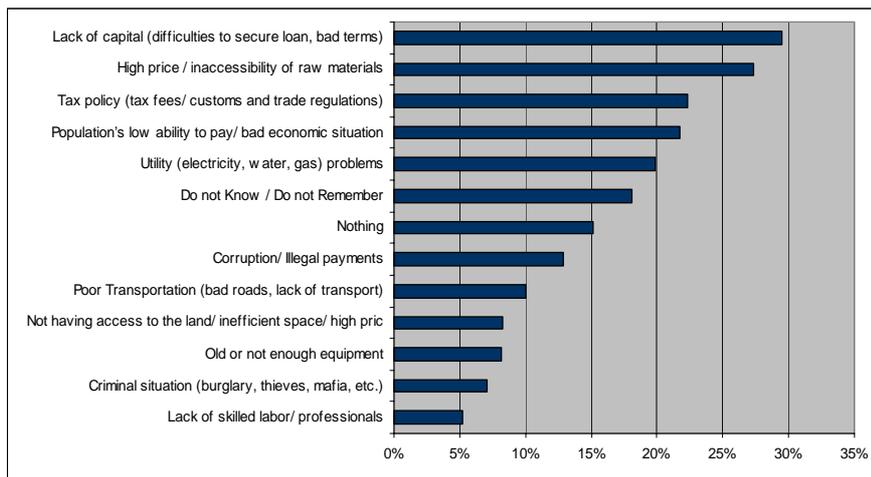
The main problems the local businessmen face are as follows:

■   Lack of funds/ financing

> *Business requires some capital, which is unavailable for us. There is no workshop, factory or industrial complex here that could support to the development of the business... [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**-Local Government Rep. (Chairman of Sakrebulo)]*

> *40% of the local population are involved in business, but less than 10% of them have own business. In Georgia it is very difficult to get a loan. Besides, loan interest is very high. Hence, there is no opportunity for business development. In addition, there is lack of support from local as well as central government.. [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]*

> *the main problem of businessmen is lack of finances . . . [Kvemo Kartli, Marneuli District, Marneuli City, Amiran Shubitidze – Local Government Rep. (Governor)]*

■   Tax regulations/ custom payment

> *It is difficult to say... Instead of supporting the local population in social issues, the local government does the opposite.... the make them pay illegal payments. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

> *Businessmen have the same problems as farmers do – i.e. tax problems. The Tax system is out of order. [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]*

■   High prices on petrol

> *20% is involved in business. They have the same problems as farmers. This are high prices on petrol, which hampers transportation of goods... [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

5.1.2.4   Employment
This section describes the main sectors of employment for people living in Kvemo Kartli as will as the main problems faced by farmers.

Industries the community members
are mainly involved in
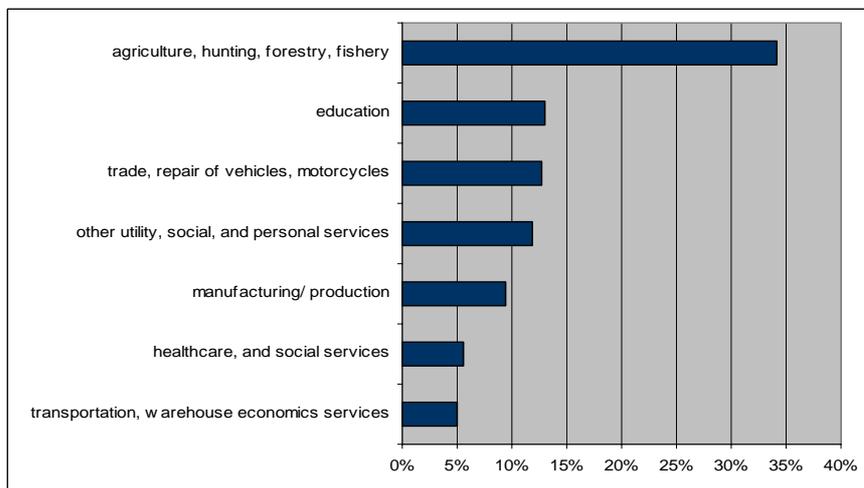
The main industries local community members are involved in to make a living are as follows:

- Trading
- Agriculture
- Employment in business (petrol stations, factory, etc.)

> *The population is engaged in trade. There are also small private manufactures, car services, cement factory… that employs an important number of people and the budget gets important income from it. [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]*

> *80% of the population is engaged in agriculture, the rest have different kinds of business, trades. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

Almost all community members are involved in agriculture. There are no agricultural activities in Rustavi City.

> *We don't have agriculture. It's a city, that doesn't have lands around. All the regions or areas have the possibility to work on land. We don't have even that possibility. [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]*

The main problems faced by the local farmers are as follows:

- sales

> *80% have a problems selling their products, mostly its grain. [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]*

- high prices on petrol

> *80% is involved in agriculture. High costs of diesel and petrol is the biggest problem for the farmers. [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

- equipment (tractors, etc.)

> *We had tractors before, now they are out of use. [Kvemo Kartli, Tsalka District, Ashkala Village, Artur Sarkisyan - Local Government Rep. (Member of Sakrebulo)]*

- lack of energy, water supply

> *The most part of the community is engaged in agriculture. More than 90% is engaged in agriculture. The problem is in the lack of the electricity, water, tractors, and hotbeds. [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]*

- custom payment

> *The whole Georgia is supplied from Marneuli. Azerbaijani have low costs on agricultural products. Why do we need to import onion, tomatoes from Turkey to Marneuli or Georgia ? Why do we need to import tomatoes from Iran ? It's also protectionist politics. [Kvemo Kartli, Marneuli District, Marneuli City, Amiran Shubitidze – Local Government Rep. (Governor)]*

5.1.3   Inter-Ethnic Relations

This section looks at the state of inter-ethnic relations in Kvemo Kartli including how people of different ethnic groups interact and reasons for misunderstanding or conflicts. Additionally, interviewees were asked about what languages are spoken in their communities and schools.

Assessment of relationship between ethnic groups

In majority of the cases the respondents assessed the relationship between the different ethnic groups in their communities as good or excellent (59% and 22%, respectively). 17% indicated it as being average and in only 1% bad. These results are similar to those of Georgia overall where 83% of people said relations were *good* or *excellent.*

According to the respondents from Kvemo Kartli, a relationship between different ethnic groups in the community is good.

> *Very good friendly, neighborly... I have a lot of Azeri and Armenian friends, in total more than Georgians. Some of them are my friends since the childhood and some from work.   [Kvemo Kartli, Marneuli District, Marneuli City, Amiran Shubitidze – Local Government Rep. (Governor)]*

> *The nationality does not matter to us all the of them are the citizens of Georgia [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]*

> *There is no tension [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]*

> *I have not heard about any misunderstanding[Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

> *We have very good relations during the centuries there was a problem in 90ies, but it is not now. [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]*

Only in one case it was mentioned that Ukrainians, and Azeri do not have good relationships.

Sometimes there are scandals [Kvemo Kartli, Tsalka District, Ashkala Village, Artur Sarkisyan -Local Government Rep. (Member of Sakrebulo)]

Types of relationship between ethnic groups

75% of the respondents and their family members **have relationships with other ethnic groups**. The types of those relationships are friendship (36%), neighbor (36%), **co-worker/ colleague/ business relationship (45%)**, marriage/ family (7%) and acquaintance (2%).

The number of people is citing that they have relationships with other ethnic groups is much higher in Kvemo Kartli (75%) than in Georgia overall (42%). While in both cases most people indicated that the relationship were as friends or neighbors, **in Kvemo Kartli a much higher percentage (45%) of people said that the relationships were work related as compared to Georgia overall (16%).**

According to the respondents from Kvemo Kartli, the different ethnic groups in the communities interact with each other mainly in the following situations:

- social events (wedding, school, trading, etc.)

The attitude toward the Georgians is good and friendly in our village. In the trading as well. [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]

*They have relations at schools, during the trading and you cannot feel that they are of different ethnicity. Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

*In schools, at weddings, everywhere and in different situations. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

- friends/ neighbors/ family/ work colleagues

I have very good and friendly relation with them [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]

*My two uncles are married to the Georgians. In the school where I teach my colleagues are Georgians and I have very good relation with them. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

Yes I have Armenian neighbors. We have very good relations and I invite them as well. [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]

Ethnic Misunderstandings/ Conflicts

88% of the respondents have never heard about or experienced misunderstanding or conflict between people of different ethnic groups in their community for the last two years. The average number of cases when the remaining 12% of the respondents heard about or experienced a misunderstanding or conflict in their community is 5.

Several respondents from Kvemo Kartli claim that they have never heard of any cases of misunderstanding A few respondents from Kvemo Kartli named some cases of misunderstandings between ethnic groups. Particularly,

- present cases

Yes there are because of the everyday problems. The problem was regulated by the local government. The main reason of quarrel is the territory and everyday problem [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]

- past cases

*There was problem between the Azeri and Georgians. It has not been since 1994. We have better relations now. [Kvemo Kartli, Dmanisi District, Karabulaki Village, **Jakhangir Orujov**- Local Government Rep. (Head of Sakrebulo)]*

Reasons of the misunderstandings/ conflicts

The 12% of respondents in Kvemo Kartli that indicated they have heard about or experienced a misunderstanding in their community were asked to give the reasons. 39% indicated personal dispute as the most typical reason similar to the results for Georgia overall.
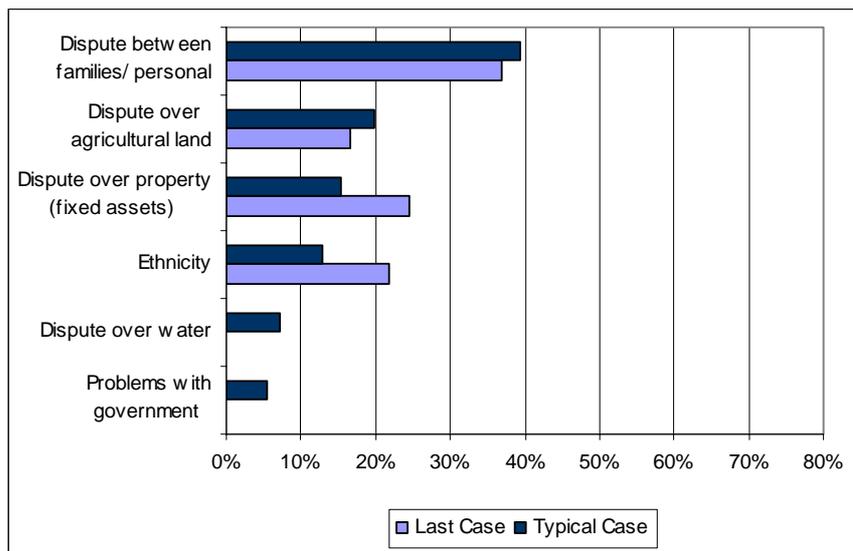
Reasons of misunderstanding between ethnic groups can be trading, land, etc.

The ethnic groups in Tsalka built their relation on the everyday life. There are situations when there is a misunderstanding on the ground of trading or territory etc [Kvemo Kartli, Tsalka District, Tsalka City, Evgenia Lombriodu- Local Government Rep. (Governor)]

Language Skills

The respondents were asked to name languages they speak other than their mother tongue.

93% of Georgians can speak Russian, 12% - English, 11% - Azeri, 5% - German, 4% Abkhazian, 3% - Armenian

96% of Azeri can speak Russian, 54% - Georgian, 4%- Turkish

98% of Armenians speak Russian, 50% - Georgian, 27% - Azeri

Community leaders were asked what percentage of the etic minorities in their communities speak Georgian.

Probably 10-15% cannot speak Georgian. [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]

*I think most of them do not speak Georgian, I think only 1% can speak Georgian. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

According to the other respondents from Kvemo Kartli, majority of local community members can speak Georgian in the following settlements:
- Bolnisi District, Kianeti Village
- Tsalka District, Ashkala Village

According to all respondents from Kvemo Kartli, majority of local schools are non-Georgian (mainly Azerbaijani). The respondents have different attitudes toward demand/ need on opening new/ additional schools. Particularly:

- There is a need

    *We have 7 schools and one lyceum. All of them are Azeri. I think one Georgian school should be opened. [Kvemo Kartli, Marneuli District, Sabirkendi Village, **Khasan Badalov** – Local Government Rep. (Head of Sakrebulo Deputy)]*

    *Nowadays all the people must know Georgian that's why the Georgian schools will be opened and everyone will go there. [Kvemo Kartli, Gadabani District, Kalinino Village, **Rasul Gasanov**- Local Government Rep. (Chairman of Sakrebulo)]*

- There is no need

    *There are two school and both of them are Azeri schools. As for the existence of other languages schools it depends on the population. Though it is not necessary because there will be nobody who go there. [Kvemo Kartli, Marneuli District, Kiziladjalo Village, **Takhir Gajaev** – A community group leader or active member (School Director)]*

    One Armenian school is enough, there is no need of non-Armenian schools as all the youth study in Armenian. [Kvemo Kartli, Bolnisi District, Kianeti Village, Julieta Arakeliani- Community/ Com. Group Leader or Active Member]

5.1.4   Community Organization and Initiative
This section investigates the presence of formal or informal community groups in Kvemo Kartli.

Community Groups

97% of the respondents of the quantitative survey that live in Kvemo Kartli indicated that they have never heard of any formal or informal groups.

Only in two cases respondents from Kvemo Kartli region named formal or informal community groups: (1) religious group, and (2) women's group.

I do not think so…. there are religious groups or the members of sect- Jehovah [Kvemo Kartli, Marneuli District, Marneuli City, Amiran Shubitidze – Local Government Rep. (Governor)]

There are government organizations... the women created a lot, but some of them are not registered. [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]

Only in two cases respondents from Kvemo Kartli region named formal or informal community groups: (1) religious group, and (2) women's group.

There is youth law association- Mamaladze, youth pupils' association who work on the project. [Kvemo Kartli, Rustavi District, Rustavi City, Mamuka Chikovani – Local Government Rep. (Head of Sakrebulo)]

There are political groups, society "Bolneli". As for the non- government organizations they are passive. They were created during the "Fair Election" and were more active during the election. [Kvemo Kartli,Bolnisi District, Bolnisi City, Teimuraz Svanidze- Local Government Rep. (City Governor)]

None of the in-depth interview participants from Kvemo Kartli are members of a community groups. None of them had information on any community projects or community contributions to project and are therefore unable to evaluate project results. None of the participants could provide information on community groups in regard to their relationship with local government.

5.2 Samtskhe Javakheti

Samtskhe Javakheti has a population of a little over 207,000 people. 55% of these people are ethnic Armenians who live mostly in the eastern districts of Ninotsminda and Akhalkalaki. Georgians make up about 43% of the population. This region borders both Armenia and Turkey, and has important trade linkages with both countries. Most of the Armenian communities have their own Armenian language schools and maintain strong socio-economic ties to Yerevan.

5.2.1   Perceptions of "Community"

Representation of different ethnic groups

15 ethnic groups were represented in the communities covered by the survey in Samtskhe Javakheti. The ethnic composition of these communities was as follows: Georgians (50%), Armenians (44%), Ukrainians (3%), Russians (1%), Ossetians (1%), and others (Azeri, Greeks, Abkhazian, Kurdish, Moldavian, Lezghin, Germans, Christians, Tajik, Jews).

In-depth interviews were conducted in communities where the majority of the population is Georgian as well as those populated by Armenians. The following interview locations are mainly populated by Armenians: (1) Akhalkalaki District, Machatia Village; (2) Akhalkalaki District, Murjakheti Village; and (3) Ninotsminda District, Eshtia Village.

Understanding of "Community"

Understanding of "community" varies a lot from one community leader to another. The community leaders describe "community" as group of people united according to the follows characteristics:

▪ work together

*"I understand community as some workers' group – established organization. .. where all participants have to be happy and do their own business" [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

▪ have common views/ interests, problems/ concerns, and goals

"Community is a particular group of people, who have the same world view, common problems" [Samtskhe-Javakheti, Akhaltsikhe District, Akhaltsikhe City, Valiko Baliashvili -Local Government Rep. (Head of Sakrebulo)]

"Union of people with common goals and problems" [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]

▪ live in the same village/ city

"This is a group of people, who live on the same territory" [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]

▪ have the common roots/ customs

*"For me community is a unity of population that has in common historical past, roots, and today are each others'
relatives" [Samtskhe-Javakheti, Akhaltsikhe District, Vale Village, Meskha Melikidze - Local Government Rep. (Village
Governor)]*

According to the survey results, minimum number of communities in the village/ city is one, and maximum is
three. As for number of households in the community, minimum number of households mentioned is 83 and
maximum is 350. In rural areas a village is considered a community whereas in urban areas there may be more
than one community.

*"One community. 83 households" [Samtskhe-Javakheti, Akhaltsike District, Tiseli Village, Mamuka Plachiashvili- Local
Government Rep. (Governor)]*

*"There are three communities in our village, on average 350-300 families" [Samtskhe-Javakheti, Borjomi District, Daba
Akhaldaba, Temuri Ianvarashvili- Local Government Rep. (Governor Deputy)]*

According to Akhaltsikhe City government representative, the local government plans to establish community
groups in their city. Particularly in places where people mainly live in block buildings.

*"**There are not any specific communities here**. Here people live in the block buildings. Starting from the **next year**,
we want to establish communities. No need to register them in court. The community members simply will have
common problems, common statutes, and they will know which community lives in the particular building. We have
announced competition for neighborhood social service with three prizes: GEL300, GEL200, and GEL100. We decided
to divide settlements into 10-12 groups. In our building there are 30 households and we want to establish union"
[Samtskhe-Javakheti, Akhaltsikhe District, Akhaltsikhe City, Valiko Baliashvili -Local Government Rep. (Head of
Sakrebulo)]*

According to the qualitative survey results conducted in Samtskhe-Javakheti, number of women in some
communities is higher than that of the men, while in others there are more men. According to the respondents,
the main reason for the low representation of youth and men in the community is they leave in search of jobs.

*40% of Women. 15%. of youth, Samtskhe-Javakheti, Akhaltsike District, Tiseli Village, Mamuka Plachiashvili- Local
Government Rep. (Governor)]*

*70% of women, the rest are men. 25% of youth The share of men is less because they leave for the temporary work.
[Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

Understanding of "Neighboring Community"

According to the studied formal/ informal leaders of the communities in Samtskhe Javakheti, "neighboring
community" is a neighbor village/ city, which is mainly represented by Armenians.

*Neighbors are people who have goals and problems like us. We solve our problems separately because of different
location. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of
Self-governance)]*

*For me neighboring community is a neighboring region. 94% of Armenians live there, 4% of Georgians and approximately
2% of Russians [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business
Sector/ Successful Businessman]*

*We must have common problems. It is impossible that you live well and your neighbor does not. [Samtskhe-Javakheti,
Akhaltsikhe District, Akhaltsikhe City, Valiko Baliashvili -Local Government Rep. (Head of Sakrebulo)]*

Factors that determine whether communities are different or similar are as follows:
- environment (climate, etc.)
- economic situation
- sources of income
- interests / problems/ concerns
- amount of agricultural equipment
- customs

*The water pipe, sewage, animal breeding, agriculture , electricity are in better conditions in the neighboring village –
Ninotsminda [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business
Sector/ Successful Businessman]*

*Character is the similar. The difference is that one community has the agricultural problems and the other one has
utility problems. [Samtskhe-Javakheti, Akhaltsike District, Vale Village, Meskha Melikidze - Local Government Rep.
(Village Governor)]*

*Agriculture, customs, economy and business are similar [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village,
Suliko Inasaridze- A knowledgeable/ active youngster of 18-30]*

Relations with neighboring communities were assessed as positive by all of the interviewed community leaders.
Particularly, neighboring communities share fixed assets, work together, have common social centers, etc.

*Recently a common program has been implemented in the region. It includes not only Akhalkalaki district, but
Ninotsminda too. The programs are common e.g. if the youth center is opened it will operate in the both cities. The
business center operates in Akhalkalaki and also in the region [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki
City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]*

*We have very good relationships. We often help them if they need anything. We helped them to renovate the school.
[Samtskhe-Javakheti, Adijeni District, Abastumani City, Anton Merabishvili -Local Government Rep. (Governor)]*

If we miss something we can go the neighbor community and find/ borrow there. We are friends and some of them are our relatives as well. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]

5.2.2 Local Economy and Employment

This section describes the economic situation in Samtskhe-Javakheti, the problems it faces as well as the trade linkages and opportunities for entrepreneurship that exist. It also describes respondents' economic situation and investigates the local business environment as well as the availability and satisfaction level with infrastructure and services.
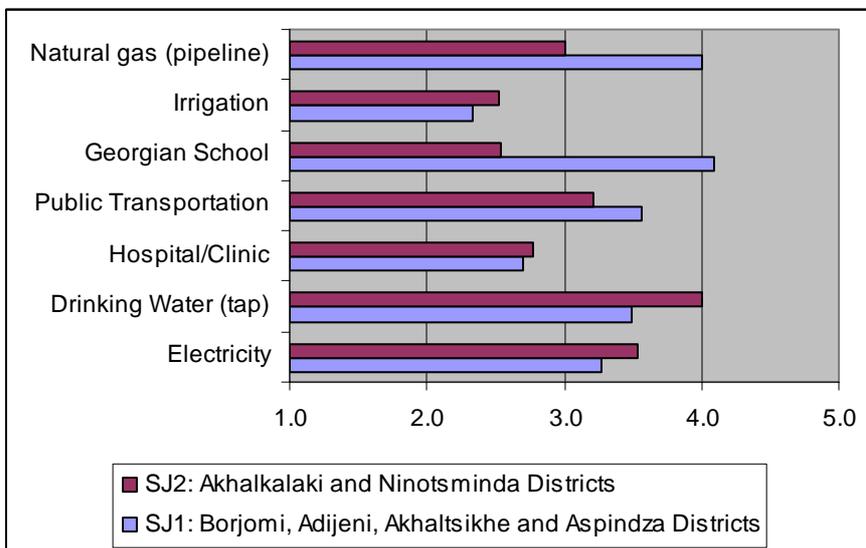
5.2.2.1 Infrastructure and Social Services

This section describes the availability of social services in Samtskhe-Javakheti as well as communities' satisfaction level with the services that they use.

Social Services
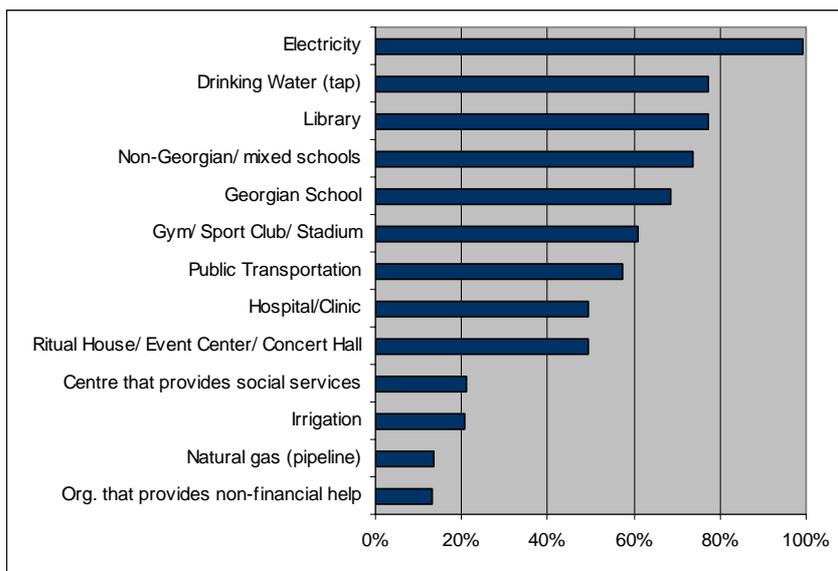
Availability of Social Services in Samtskhe Javakheti

Satisfaction level with social services in areas that are mainly Armenian (SJ2) and areas that are mainly Georgian (SJ1)

The surveyed community leaders were also asked about the services _available_ in their communities. According to the, such services are as follows:

- electricity supply
- school / kindergarten
- hospitals
- water channel
- gas supply
- library / club
- stadium

…electricity, the road was paved in the center of the town. The schools were renovated not by the government but by foundations. [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]

Hotels, canteens, cafes, petrol stations, electricity, water pipe, post, hospital, polyclinic, gas [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]

There is electricity, a school, a hospital….. club, old library [Samtskhe-Javakheti, Akhaltsike District, Tiseli Village, Mamuka Plachiashvili- Local Government Rep. (Governor)]

According to the community leaders, the services that are <u>*unavailable or in bad condition*</u> in the communities are as follows:
- roads
- gas supply
- hospital
- water supply / irrigation
- electricity supply
- heating in schools and hospitals
- cultural center

We do not have gas, the roads are in a terrible condition. [Samtskhe-Javakheti, Adijeni District, Abastumani City, Anton Merabishvili -Local Government Rep. (Governor)]

*Water supply… irrigation is a very bad condition… scheduled electricity supply. .. no hospital.. school building is badly damaged and no government representative we asked will help us... **the only way is if we renovate it ourselves**. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]*

There is no gas. The roads are not paved because the water pipe should be renovated, which is very expensive. [Samtskhe-Javakheti, Borjomi District, Daba Akhaldaba, Temuri Ianvarashvili- Local Government Rep. (Governor Deputy)]

When asked how problems with services provided by the local government (e.g. electricity supply, gas supply, roads, hospital, schools, etc.) are solved the respondents did not seem very hopeful.

Turn to the Governor… They do not help us at all. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]

***We do not ask anybody for help, because we do not have the hope. They do not care and we are tired of begging for help.** [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)*

5.2.2.2   Local Economy

This section describes changes in economic conditions over the past two years in Samtskhe-Javakheti, the main problems facing communities, community migration and trade linkages with other communities.

Assessment of Economic Situation

On average the respondents to the quantitative survey are neutral in their opinion of the economic situation in Samtskhe-Javakheti. 41% of the respondents noted, that economic situation of their community has *not changed* in comparison with situation two years ago. 30% of the respondents think the situation was *improved*, and the remaining 29% feel it has become *worse*.

Community leaders participating in the in-depth interviews were also asked to assess economic situation in their community. The economic situation was assessed as *bad* or *very bad*. The main factor influencing their negative outlook is the high level of unemployment in their communities.

*The people are hardworking and they go the neighboring villages to work, in order to fill in storage for the next year. The government does not pay any attention to us. [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

In order to store the flour, wood … they exchange potatoes with the traders. We are not satisfied with the level of life but what can we do. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]

Community problems and their solution

B12 with SJ region
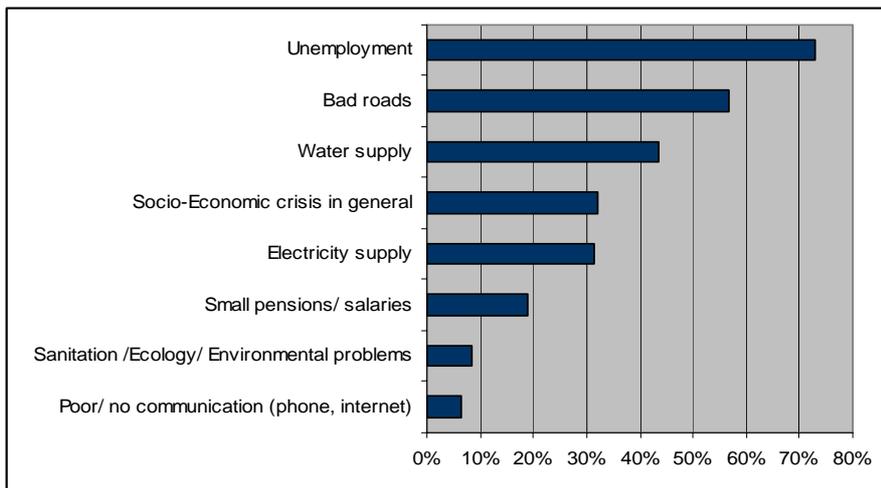
The main problems of the communities named in the qualitative survey (during in-depth interviews) are as follows:
- electricity supply / old power poles
- lack of land
- drinking water (lack, pollution)
- roads
- unemployment
- high cost of producing potatoes
- no cultural center

Lack of drinking water, as everywhere [Samtskhe-Javakheti, Akhaltsike District, Vale Village, Meskha Melikidze - Local Government Rep. (Village Governor)]

*The main problem is light and petrol for machinery. Nobody cares on how we live. [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

Unemployment and low level of income. We do not have a normal road... we mainly produce potatoes that has high COGS. We do not have profit left after sales. ...10% of population works in the government organizations and have very low salaries. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]

There are many problems, especially we have problems with tap water, which we cannot even drink. Everything is related to high expenses… problems with electricity, the poles and lines often are damaged because of rain, wind. [Samtskhe-Javakheti, Borjomi District, Daba Akhaldaba, Temuri Ianvarashvili- Local Government Rep. (Governor Deputy)]

The respondents were asked to name the ways the problems of the communities are resolved and to state their satisfaction level with the solutions. The surveyed community leaders seem to be more satisfied than not satisfied with the way the community problems are solved, as (1) they try to help people despite the lack state financial recourses, and (2) involvement of their community members in the problem solving process is quite high.

We gather and discuss. We try to solve the problems. I am satisfied with the results when we solve the problems, and not satisfied – when we cannot. [Samtskhe-Javakheti, Akhaltsike District, Tiseli Village, Mamuka Plachiashvili- Local Government Rep. (Governor)]

The people gather together if they need something e.g. wood for school. This is the normal way of solving the problem. If somebody will finance us may be everything will be in order. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]

Migration Issues

B3 and B4 with SJ

69% of the respondents noted that over the last two years people have been moving out of their communities. The main reasons of sited are lack of employment opportunities (85%) and bad economic situation (10%).

 According to the community leaders as well, there is a tendency of people moving out of their communities. The main reason they indicated are poor economic situation and unemployment.

Mostly people are leaving and it gets worse. In 90-is population of our district was 74000, now probably – 60000. They have left for Armenia, Russia [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]

A lot of people moved when the sanatoriums were closed... their flats were bought by the citizens of Batumi and Tbilisi. [Samtskhe-Javakheti, Adijeni District, Abastumani City, Anton Merabishvili -Local Government Rep. (Governor)]

91% of the respondents claimed that no people are moving into their community. In the quantitative survey 9% said that people are moving into their communities. The reasons given were marriage as well as employment and educational opportunities.

People who left in the past are coming back… we had some ethnic problems.. They are coming back as this is their

> *homeland... here no one will laugh at them [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** - Local Government Rep. (Governor)]*

Agricultural Production and Trade Linkages

]

The main products produced in the studied communities of Samtskhe Javakheti region are as follows:

- Vegetables (potato, cabbage, beans, turnip, cucumber, tomato, onion, mushroom)
- Corn, wheat, beans, etc.
- Milk/ cheese
- Fruit (strawberries/ raspberries)

"Borjomi" mineral water is the only product that is exported from the local communities abroad, particularly to Russia, Ukraine, etc. Other products produced in the communities of the respondents are sold in Khashuri, Borjomi, Tbilisi, Gori, Kareli and Akhalkalaki.

According to the respondents, all types of products are available in the market. Some are produced locally and others are imported. The goods that are imported in the market mainly come from the following places:

- Tbilisi (light industry, delicacies, etc.)
- China, Turkey, Russia (agricultural products)
- Armenia (meat, milk, potatoes)
- Neighboring communities (fruit, vegetables)

The goods/ products that are not available in the market are technical equipment, clothes, shoes and some delicacies.

> *There is not a problem of food, but machinery [Samtskhe-Javakheti, Akhaltsike District, Vale Village, Meskha Melikidze - Local Government Rep. (Village Governor)]*

> *There are many things that are not sold in the market such as clothes, shoes....... [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

The main villages/ cities/ regions/ countries the local community members trade with are (1) Larger cities (Tbilisi, Gori, Khashuri, Akhaltsikhe, Akhalkalaki, Batumi, Aspindza, etc.), (2) neighboring communities (Adijeni, Tsagveri, Bakuriani, etc.) and (3) Armenia.

5.2.2.3 Business Environment

This section describes the types of businesses operating in Samtskhe-Javakheti and business-related concerns of the communities.

**Business Activities/ Trade Linkages**

93% of the respondents or any members of their household are not currently the owner/ co-owner of a business.

The same is claimed by the respondents of the qualitative survey. According to them, the share of people from their communities involved in the business is very low or there are not any businesses at all. The estimate of the percentage of people owning their own business was low by the following interviewee.

> *At the present moment 3-5- people have their own business. [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

> *The main part of the men go Russia form April to December. The population survives with the support of this money. 5% is involved in large business. [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]*

Problems of Local Businesses
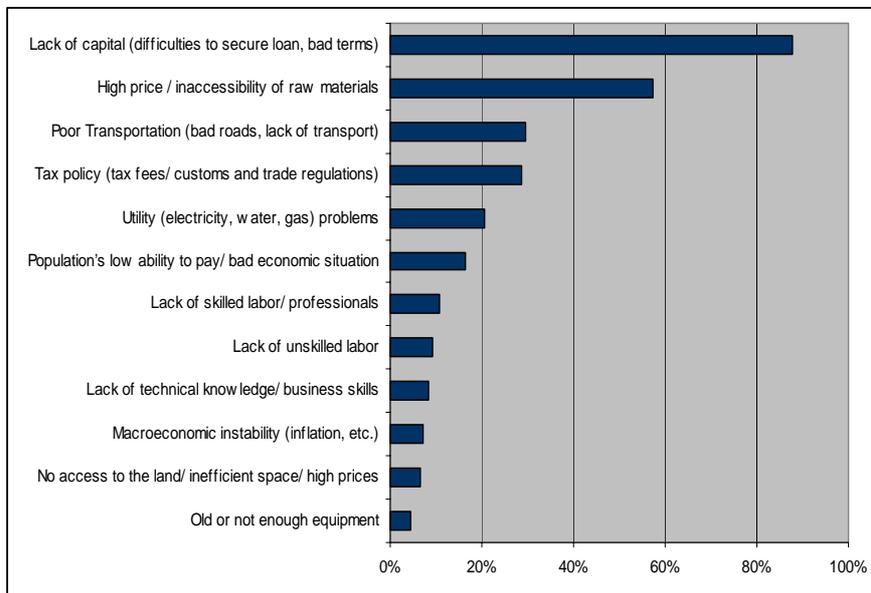
According to the community leaders, the main problems the local businessmen face in their community are as follows:

- Transportation of goods
- High prices on petrol
- Old machinery

> *The main problem is the transportation of products. The station does not work and the last stop is Ninotsminda. The train does not go till Akhalkalaki. [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani - Leader in Business Sector/ Successful Businessman]*

> *The main problem is the lack of fuel because it is very expensive... the combines do not work and the export of products is problem, it is also very expensive. The cars are very old about 20-30 years old. [Samtskhe-Javakheti, Ninotsminda District, Eshtia Village, Valeri Grebski- Local Government Rep. (Governor)]*

- Tax regulations and financing

> *If one pays all taxes without cheating, s/he will have negative profit... this was a big issue.. now I hope it will be changed. There is a problem to secure the loan, even if one prepares a very nice business plan... [Samtskhe-Javakheti, Akhaltsikhe District, Akhaltsikhe City, Valiko Baliashvili -Local Government Rep. (Head of Sakrebulo)]*

- Difficulty to secure financing

> *The financial Institutions are afraid of working with us. [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]*

> *There is nothing like this. We have not tried to contact anybody. [Samtskhe-Javakheti, Ninotsminda District, Eshtia Village, Valeri Grebski- Local Government Rep. (Governor)]*

5.2.2.4   Employment
This section describes the main sectors of employment for people living in Samtskhe-Javakheti as will as the main problems faced by farmers.

Industries the community members are mainly involved in
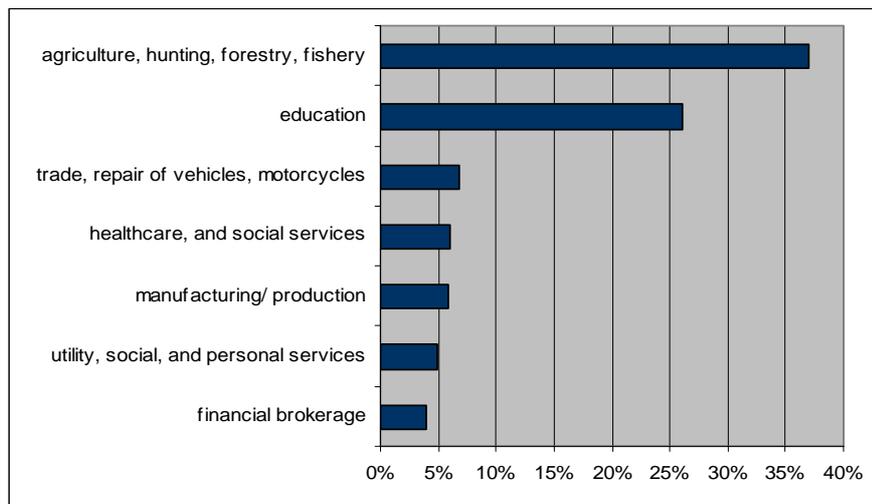
The main industries local community members are involved in to make a living are as follows:
- Manufacturing
- Service Business (hotels, restaurants, etc.)
- Agriculture
- Cattle breeding
- State organization
- Selling/ leasing in the summer (resort zone)

> *A large share of the employed people are involved in manufacturing, factories, and others work in canteens, cafes, bars, hotels and trading. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]*

> *Mainly in agriculture, cattle breeding... small share of trading [Samtskhe-Javakheti, Akhaltsike District, Vale Village, Meskha Melikidze - Local Government Rep. (Village Governor)]*

About 80% of community members are involved in agriculture. The main problems faced by the local farmers are as follows:
- difficult to sell products
- high prices on petrol
- lack of raw materials

> *80% of them are involved in agriculture. The problem of farmers is the sales of products [Samtskhe-Javakheti,*

> *Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]*

> *70% are involved in agriculture. The problem is that the fuel is very expensive. [Samtskhe-Javakheti, Akhaltsike District, Vale Village, Meskha Melikidze - Local Government Rep. (Village Governor)]*

> *90% are involved in agriculture, The main problem of the farmers is the raw material and transport as well. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30*

5.2.3   Inter-Ethnic Relations

This section looks at the state of inter-ethnic relations in Samtskhe-Javakheti including how people of different ethnic groups interact and reasons for misunderstanding or conflicts. Additionally, interviewees were asked about what languages are spoken in their communities and schools.

Assessment of relationship between ethnic groups

In majority of the cases the respondents assessed the relationship between the different ethnic groups in their communities as *good* and *excellent* (67% and 13%, respectively), 14% as *average*, and 6% as *bad* or *very bad*. These results are similar to those of Georgia overall where 83% of people said relations were *good* or *excellent*.

According to the community leaders interviewed in the qualitative survey, the relationship between different ethnic groups in the community as well as their personal relations with people of different ethnicities is *good* or *very good*.

> *This not an issue here... all my family have relations with Georgians, we are friends. [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]*

> *Relations based on hospitability, friendship... [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

Types of relationship between ethnic groups

85% of the respondents and their family members have some kind of relationship with people from other ethnic groups. The types of those relationships include friendships (43%), neighbors (36%), family (13%), and co-worker/ colleague/ business relationship (7%).

According to the community leaders interviewed in the qualitative survey, the different ethnic groups in the communities interact with each other mainly in the following situations:
- social events (wedding, school, trading, etc.)
- friendship/ neighborhood/ family
- business

> *This is not a issue here; we go to church together and pray. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]*

> *They discuss politics. There is one school and Armenians and Georgians are separately. They are relatives as well. [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]*

> ***In everything… joy, unhappiness***. *[Samtskhe-Javakheti, Akhaltsikhe District, Akhaltsikhe City, Valiko Baliashvili - Local Government Rep. (Head of Sakrebulo)]*

All leaders surveyed in in-depth interviews mentioned that no particular ethnic groups live separately or isolated.

Ethnic Misunderstandings/ Conflicts

94% of the respondents have never heard about or experienced a misunderstanding or conflict between people of different ethnic groups in their community over the last two years. The average number of cases when the remaining 6% of the respondents heard about or experienced a misunderstanding or conflict in their community is 2.

Almost all of the community representatives interviewed in Samtskhe-Javakheti claim that they have never heard of any cases of misunderstanding between ethnic groups. According to those who had, there were very few cases.

> *Sometimes everything happens… but real ethnic misunderstandings had place only once or twice [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

> *Yes there were misunderstandings before... because of problems... nothing personal. . . . [Samtskhe-Javakheti, Akhaltsike District, Tiseli Village, Mamuka Plachiashvili- Local Government Rep. (Governor)]*

Reasons of the misunderstandings/ conflicts
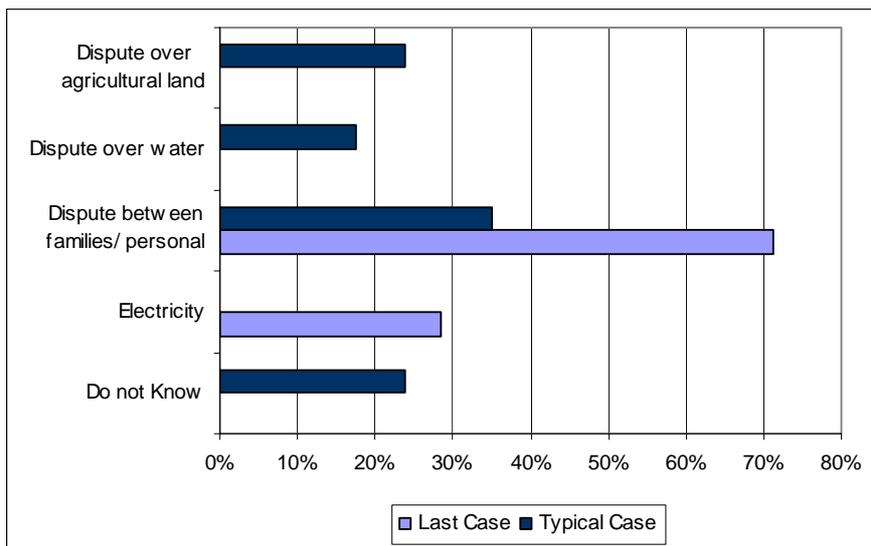
Language Skills

The respondents were asked to name languages they speak other than their mother tongue.

75% of Georgians can speak Russian, 16% – Armenian, 11% - English, 5% - German and 1.3% - Turkish.

83% of Armenians speak Russian, 54% - Georgian, and 5% - Azeri.

100% of Russians, Ossetians and Ukrainians surveyed can speak Georgian. All surveyed Ossetians and Ukrainians also speak Russian.

According to those interviewed, only few people can speak Georgian from the communities in the Akhalkalaki District, Machatia Village (5%), Akhalkalaki District, Murjakheti Village (10%) and Ninotsminda District, Eshtia Village (7-10%).

According to all respondents, majority of local schools are non-Georgian (mainly Armenian). The respondents have different attitudes between generations toward the need of opening additional schools. Particularly:

▪   There is a need

> *Mainly Armenian schools… Georgian sector is mainly in this school.. It would be good to have Georgian school [Samtskhe-Javakheti, Akhalkalaki District, Murjakheti Village, Suliko Inasaridze- A knowledgeable/ active youth of 18-30]*

▪   There is no need

> *There is one school and it is Armenian. If there are more ethnic groups, we will open the new one. It is not necessary now. [Samtskhe-Javakheti, Akhalkalaki District, Machatia Village, **Mitum Shirinyan** -Local Government Rep. (Governor)]*

5.2.4   Community Organization and Initiative
This section investigates the presence of formal or informal community groups in Samtskhe-Javakheti.

Community Groups

90% of the respondents of the quantitative survey that live in Samtskhe Javakheti indicated that they have never heard of any formal or informal groups.

The surveyed community leaders named the following formal and informal community groups:
▪   Non-governmental organizations
▪   Religious groups (Jehovah followers)
▪   Women's group
▪   Democrat Meskhetian's Union

According to the respondents, the groups were organized around the following concerns/ topics or target groups:
▪   Politics
▪   BTC pipeline/ environmental issues
▪   Selection of Sakrebulo type
▪   Women's group

> *Our community is involved in politics a lot. There are clans here and the life is very difficult. . . if one is not a member of the clan, s/he cannot make a business. [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]*

> *They became active at the period of BTC pipeline construction... [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]*

Only one surveyed community leader was a member of a community group, specifically the Samtskhe-Javakheti environmental group.

The group of Samtskhe Javakheti region that had environmental projects Our goal was to rehabilitate at least the part of the cut forest. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]

The projects implemented by the various formal and informal community groups named by the respondents were as follows:
- establishment of business center
- renovation of school
- renovation of water pipeline
- provision of computers
- renovation of stadium
- rehabilitation of drinking water
- preparation of city social development concept

There were grants and projects for starting the business centers. They were working here and in Ninotsminda. [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]

*The **Social Investment Fund** has renovated the school. It made the roof and the water pipe. [Samtskhe-Javakheti, Adijeni District, Abastumani City, Anton Merabishvili -Local Government Rep. (Governor)]*

Mainly the computers were bought ... 30 men have participated. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]

***Care** made the stadium, and **Horizonti** supplied the drinking water. [Samtskhe-Javakheti, Akhaltsike District, Tiseli Village, Mamuka Plachiashvili- Local Government Rep. (Governor)]*

Almost all surveyed community leaders claim that they are satisfied/ happy with the project results.

It was positive. The population gets more active. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]

In two cases it was mentioned that resources could have been used more effectively.

It was not bad, but could have been better [Samtskhe-Javakheti, Akhalkalaki District, Akhalkalaki City, Anaid Tarlamaziani -Leader in Business Sector/ Successful Businessman]

Better things could have been one with this money [Samtskhe-Javakheti, Borjomi District, Daba Akhaldaba, Temuri Ianvarashvili- Local Government Rep. (Governor Deputy)]

Only some of the respondents said that the community groups have some relationship with local government.

Yes, in order to solve different problems. They ask to give them places and support them. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]

Yes they have. The most active leader is involved in this process. [Samtskhe-Javakheti, Akhaltsikhe District, Akhaltsikhe City, Valiko Baliashvili -Local Government Rep. (Head of Sakrebulo)]

The main contribution the community members had in the projects were mostly in-kind, particularly labor, equipment and construction materials.

By public meetings, surveys. . . there was no any physical contribution. [Samtskhe-Javakheti, Borjomi District, Borjomi City, Besik Popkhadze- Local Government Rep. (Chairman of Self-governance)]

The population makes its contribution to the projects in different ways, some of them physically, some by machinery and construction materials. [Samtskhe-Javakheti, Akhaltsikhe District, Akhaltsikhe City, Valiko Baliashvili -Local Government Rep. (Head of Sakrebulo)]

6   Conclusions & Recommendations

The following section summarizes the conclusions and recommendations that can be drawn from analysis of the data and findings presented in the preceding sections. The conclusions are divided into two main sections: (1) **Local Economy, Infrastructure and Employment** describes the availability and state of infrastructure and social services, local economy, business environment, employment situation and peoples' satisfaction with their personal economic status; (2) **Community Initiative and Inter-ethnic Exchange** describes the leadership and organization of communities, citizens' perception and level of engagement with the local government, inter-ethnic relations, and the level of community organization and initiative. The findings from the conflict-prone regions of Samskhe-Javakheti and Kvemo Kartli, where they differ from the rest of the country, have been incorporated into the conclusions.

6.1   Local Economy, Infrastructure and Employment

A pre-eminent conclusion that can be drawn from findings of the SEIA is that the majority of **developmental constraints facing communities are economic-related**. Communities noted electricity and unemployment as the biggest problems facing their communities. Poor roads and problems with water supply were cited by almost a third of rural communities as being a major constraint. According to respondents, savings and investment is severely limited due to the high cost and inefficiency of coping with existing infrastructure. Further, information shortages and weak linkages to the formal economy exacerbate the economic isolation of rural communities.

6.1.1   Availability of Infrastructure and Services
Over 50% of critical constraints facing communities mentioned by respondents are related to infrastructure and services. Electricity, schools, public transportation and drinking water are widely available. Irrigation and natural gas are only available in about 20% of communities. While natural gas is not widely available, people who have access to it are very satisfied with it. Electricity on the other hand is widely available, but has a very low satisfaction level. Electricity tends to be unreliable in many regions of Georgia with some villages only able to access it for a few hours a day.

Recommendations for GEII. Based on the outcomes of the SEIA, making the following impacts in the area of infrastructure and services through GEII would stimulate local economies:
- Reliable electricity. In the short to medium-term, alternatives to the main electricity supply need to be investigated. A mini-hydro station or some other form of **decentralized power supply** would be greatly beneficial to a communities since they are powerless to overcome Georgia's larger scale electricity problems. In the longer-term or for those communities better served by main electricity supply, rehabilitation of the numerous dilapidated electrical supply conduits (e.g. transformers, power lines) is recommended.
- Increased irrigation. Irrigation is available in only 18% of rural areas due to the collapse of existing infrastructure (e.g. pumps, canals). Communities in more arid Samtskhe-Javakheti complained that they were only getting about one quarter the amount of water necessary to grow their crops. Irrigating target areas can increase the livelihood of communities if they are able to grow crops that are more valuable in the marketplace. Due to the multi-community interdependence of many existing irrigation channels, careful analysis should be made before embarking on such improvements that may negatively affect neighboring communities. Further, complementary business development activities should take place in parallel with irrigation improvements to promote the production of market-based commodities.
- Increased access to gas for cooking and heating would bring **cost savings** to households since they would no longer need to purchase more costly and less efficient fuel sources. Since the lack of savings was cited as the number one reason people are not starting or expanding businesses, any initiative to increase savings should be considered a priority. To date, natural gas is only available in 5% of rural areas surveyed.

6.1.2   Employment Creation and Business Development
The vast majority of surveyed communities identified employment as a central constraint to their development. Nearly ¾ of survey respondents indicated that people are leaving their communities due to a lack of employment opportunities. In the highly agrarian rural Georgian economy, those employed in the fields of agriculture and trade, representing over half of those employed overall, are the least satisfied with their current jobs and potential for increased income.

Existing businesses and business opportunities in rural areas of Georgia are predominantly small and related to agricultural production and trade. This is particularly the case in the Kvemo-Kartli Region due to the area's high agricultural output and proximity to the border of Azerbaijan. Primary constraints facing small business development were identified by survey respondents as: 1) Lack of capital (poor savings, inability to secure loan); 2) Lack of purchasing power; 3) High prices and inaccessibility of raw materials; 4) Poor infrastructure; and 5) Poor transportation. Taxation policy was also cited as a constraint to business development in the Kvemo-Kartli Region in particular.

Recommendations for GEII. Based on the outcomes of the SEIA, making the following impacts in the area of employment and business development through GEII would stimulate local economies:

➢ Labor-intensive Multi-Community Projects. Undertaking larger-scale labor intensive projects focused on the rehabilitation of enabling economic infrastructure will promote the establishment of a foundation for economic development and inject much-needed cash into local economies. Integrating the economic synergies of multiple communities will broaden economic impact.

➢ Creation of Long-term Employment Opportunities. Through infrastructure improvements, business partnership and investment promotion, long-term job opportunities will be created.

➢ Partnership with Business in Community Project Activities. There is a lack of partnership between businesses and communities at large throughout Georgia. There is a major absence of formalized business activity in rural areas as well. The promotion of business linkages to rural communities will greatly facilitate enhanced economic integration between urban and rural areas, and raise income. GEII can initiate capacity-building activities to promote business partnership and emphasize its importance in grant-making criteria.

➢ Facilitation of Loans and Linkages to Credit Providers. SEIA findings identified a lack of access to capital and information on how to access credit and other financial services. This is particularly the case for rural producers, leaving savings or informal loans as the lone option for small business start-up and expansion. Nonetheless, micro-credit providers and banks are steadily moving downstream, expanding into new credit markets with demonstrated demand for their credit products. Given the wide-spread presence of GEII in hundreds of communities nation-wide, the GEII program has a strong role to play in disseminating information on credit and brokering referrals.

➢ Promotion of Entrepreneurial Activity and Competitive Advantage. As demonstrated through quantitative survey results and focus groups, there is a shortage of entrepreneurial spirit, innovation and initiative in rural communities of Georgia. Youth, the recognized driving force of entrepreneurial initiative, are leaving rural areas en-masse, opting for enhanced economic opportunities in large urban areas. Integral to the promotion of local economic development under GEII will be creative initiatives that spark business initiative.

➢ Design of Market-based Project Initiatives. SEIA findings demonstrated that when communities do consider economic development initiatives, there is often a "production-side" bias that has little market basis. In crafting GEII's economic development initiatives, the GEII program should rely heavily on the marketing expertise of its economic unit and other business development experts.

➢ Dissemination of Basic Business "Know How" and Market Information. Findings presented indicated a lack of business and financial information, particularly in rural areas of Georgia. Given its expansive network of communities, GEII has a strong role to play in disseminating market and business "know how" information, providing communities with tools to identify competitive advantages, attract investment and consolidate resources.

6.1.3   Transportation, Market Access and Trade

Transportation issues were cited as a major problem in communities throughout Georgia. Many communities complained about the high cost of getting their goods to the marketplace since many people in rural areas transport goods to markets in small vehicles, rely on subsistence, or make farm gate sales to "middle-men". Once they arrive at market, they can not take products back or store at an affordable price, requiring immediate sale. Transportation was indicated as a major constraint by twice as many people in rural areas as urban.

Largely as a result of Georgia's poor transportation network, communities remain isolated from both markets and diverse social groups. In rural areas where ethnic groups live in separate villages, survey respondents mentioned that they frequently interact with other ethnic groups in the marketplace. Some communities are completely cut-off during the winter when poor roads become impassable. Improved roads would have the dual benefits of enhanced market access and increased social cohesion.

Kutaisi and Tbilisi are the main market hubs for goods. Focus group discussions revealed that **farmers have difficulty getting good prices for their products** citing that "**middlemen**" typically travel to the regions to buy produce and other goods and in turn sell them in the larger markets and vice versa. So, while trade may be taking place between the different regions middlemen are absorbing the extra profit that is to be made by selling products in one of the larger market areas. Currently there is little evidence of cooperation between community members to consolidate their trading position and create economies of scale.

Recommendations for GEII. Based on the outcomes of the SEIA, making the following impacts in the area of transportation, market access and trade through GEII would stimulate local economies:

➢ Road rehabilitation. Community projects focused on enhanced access of isolated communities to neighboring communities and markets should be promoted in order to reduce the cost of transporting goods to market and facilitated ethnic integration.

➢ Market linkages. Direct linkages should be created between rural-based business / agricultural production activities and those in market centers to promote productive enterprise in rural areas.

➢ Collection Centers and Storage Facilities. It is anticipated that these infrastructure projects could be highly beneficial to the currently fragmented production and trade networks. Collection centers and storage facilities would enable rural producers to consolidate trade and gain higher prices for their goods.

➢ Consolidation of production and market share. Association development activities can be encouraged, complementary to wider-scale community development initiatives in areas served by GEII.

➢ Creation of Regional Economic Development Councils. In collaboration with local and regional government authorities, the establishment of Regional Economic Development Councils has the potential to promote an enabling business environment, promoting the joint interests of rural communities. It would give voice to the interests of rural entrepreneurs and community economic development planning. Pilot activities engaging receptive government representatives may be in order during initial stages of the GEII program.

6.2 Community Initiative and Inter-ethnic Exchange

6.2.1 Enhanced Community Leadership and Initiative

The idea of "community" seems to be natural in rural areas where a single village is considered the community. In larger areas the community becomes a neighborhood that is frequently associated with an ethnic group, housing complex, school, etc. Community leaders from the south-central regions understand community as a group of people who: 1) work together; 2) have common views, interests and problems; 3) live in the same village; 4) share common roots / customs.

In terms of leadership and community initiative, SEIA findings indicated a strong bias for local and district governmental units. Despite an inability to deliver on some of the most basic infrastructure and service needs of the population, survey respondents in communities throughout Georgia consistently look to government first and foremost to address their needs, especially in times of crisis. In evident contradiction, even though almost 80% of people have never attended a meeting with a government official, 91% indicated that they turn to the government to address their concerns. The typical profile of a leader in Georgia is male in his forties that is in 80% of cases an elected official and in almost all cases, not involved in the business sector. Notably, the government of Ajara is viewed as being the most responsive and considers the views of the entire population at a much higher rate than other areas of the country.

Indigenous leadership networks, civil society organizations and interest groups (including associations, businesses, and NGOs) have a weak leadership position *vis a vis* governmental entities, especially in rural areas. SEIA findings indicated that there is a disproportionately low level of awareness of community-based initiatives and NGO activities relative to the number of initiatives that have actually taken place. Despite evidence of past success, only 9% of respondents had heard of a formal or informal group in their community. Even in small communities assisted in the past by successful community development initiatives, the majority of survey respondents were unaware that the activity had taken place and unable to identify non-governmental leaders of these initiatives.

Recommendations for GEII. Based on survey findings, the following actions are recommended under the GEII program to promote enhanced community leadership and initiative:

- Start from Basic Understandings of Community. SEIA findings indicate that the most basic understanding of "community" exists at the village level. The more urban an area becomes, the more murky the definition. Initiating project activities at this basic level of community will establish the building blocks for graduated, step-by-step community development initiatives to proceed over the period of this long-term project.

- Partnership and Engagement with Government. While negative for stand-alone civil society and NGO support initiatives, the strong standing of government as community leaders in the minds of most Georgians presents a strong opportunity for partnership between GEII and government officials. Potential for success in engaging government as partners, not competitors, is greatly enhanced by changes introduced through the Rose Revolution. Assuming effective engagement and collaboration, government is a key partner in the success of any local economic and community development initiative.

- Engage Both the Sacrebulo and Rayon Levels of Government. Despite the fact that only Sacrebulos are directly elected by citizens, survey findings bear clear evidence of the strong standing of Rayon officials in the minds of most Georgians. Given the strong planning and budgetary authority enjoyed by the Rayon governmental units, it is advisable that GEII engage these resources and formalize collaboration.

- Piloting of Government Partnership Initiatives in Ajara. Although survey results are inconclusive, they may be indicative enough to begin pilot government partnership initiatives in Ajara, where the government enjoys the highest degree of trust among citizens. These results may be complicated by political considerations, but further investigation is warranted.

- Avoid Government Co-opting of the Process. While government partnership should be emphasized through all stages of the GEII process, there is a risk of "co-opting" the process by government officials due to their strong standing. Participatory community facilitation and mobilization techniques are essential when choosing client communities, Community Development Council (CDC) leaders, and projects eligible for GEII funding. An effective facilitation and engagement methodology is critical to success.

▪ <u>Emphasize Marketing and Public Awareness Activities</u>. A strong civil society able to effectively engage partnership and advocate for change is instrumental in the development of democratic communities. SEIA findings indicated very low awareness among the Georgian population of non-governmental, community-based initiatives despite numerous examples of success. A strong GEII marketing and public awareness campaign highlighting success will have a visible "demonstration effect" to communities across Georgia, catalyzing independent action and long-term engagement.

▪ <u>Promote and Consolidate Civil Society Leadership Networks</u>. Emphasis should be placed on ensuring the long-term viability and standing of leaders within and among communities. This can be accomplished through a series of capacity-building interventions and promoting networks of leadership. Focusing on what communities can do with their existing skills and resources rather than soliciting external assistance will promote progress in this regard. Self-funded and partnership-based community initiatives are key.

6.2.2   Promotion of Inter-Ethnic Dependencies and Exchange

Armenian and Azerbaijani communities tend to be some what isolated from their Georgian neighbors. They tend to have their own communities or live in enclaves and school is taught in their own language. Only about 20% of Azeris and 20% of Armenians speak Georgian as a second language.

Focus groups revealed that **interaction between ethnic groups took place mostly in markets** where different people are coming together for trading**. 42%** of the respondents indicated that they or members of their household **have a relationship with people from other ethnic groups**. These relationships involved neighbors (51%), friends (45%), marriages (24%) and business relationships (16%). Indicating a general reluctance to openly address issues of conflict, only 9% of survey respondents indicated that they have heard about a conflict between ethnic groups in their community. <u>The three main reasons behind those few conflicts were: 1) personal issues 2) personal property and 3) agricultural land.</u>

Recommendations for GEII. Based on survey findings, the following actions are recommended under the GEII program to promote inter-ethnic dependencies and exchange:

➢ <u>Promotion of Conflict Reduction through Joint Economic Initiatives</u>. SEIA results clearly find that economic activities facilitate exposure and understanding between different ethnicities. Exchanges between ethnic groups should be fostered, and economic ties strengthened through joint community initiatives and activities that promote interaction in the marketplace.

➢ <u>Undertake Multi-Community Initiatives</u>. Particularly as regards Cluster and Public Works Projects, structure community participation in a way to promote cooperation between ethnic groups.

➢ <u>Avoid Project Activities that Promote Direct Competition Over Resources</u>. Two of the three main reasons for conflict identified by survey respondents were due to competition over resources. In structuring GEII project interventions, careful attention must be paid to issues of competition between ethnic communities.

➢ <u>Consider Ethnic Composition.</u> To ensure that all ethnicities in a community have a voice, ethnicity is an important factor when communities form councils, prioritize projects, and plan for their future. This is particularly key in regions of high ethnic sensitivity, namely Kvemo Kartli and Samskhe-Javakheti.