Uncertain divides: religion, ethnicity, and politics in the Georgian borderlands

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Chapter Eight

Channeling Discontent

The opening of the Iron Curtain between Georgia and Turkey brought about a tremendous flow of goods and people across the border. It offered people in Georgia access to western consumption goods and hard currency, which both were extremely valuable in their home country at the time. Transnational trade rapidly increased in volume and is still important for the region as a whole, affording many residents a means of living. Although the positive effects of the border opening seem obvious, the inhabitants of Ajaria increasingly tend to ascribe negative qualities to it. My informants believed the opening of the border was responsible for the spread of diseases and for chaos on the markets. They also perceived it as a threat to local values.

At first glance, these negative reactions confirm observations made throughout the former socialist bloc. When people were exposed to the destabilizing qualities of global economic forces, the high hopes of life after socialism were replaced by “anger, resignation and selective nostalgia for the socialist era” (Hann: 2002: 94). Moreover, as Hann and others observed, these resentments were increasingly channeled towards ‘the West’ as the new threatening ‘other’ (ibid 94). The disillusionment caused by unfulfilled hopes is equally present in Batumi, but as I will show in this chapter, it has led many Batumi residents to different conclusions. Despite the deteriorated living standards experienced by the majority and despite the great inequalities that have emerged, ‘the West’ has retained many of its mythical qualities and as such fuels hope that ‘the transition’ might eventually be completed.

In this chapter I argue that this situation exists because frustrations were largely channeled to other ‘evils,’ the most conspicuous of which are ‘the Mafia’ and ‘Turkey.’ This particular channeling of discontent personalizes ‘the economy’ and as such provides locally convincing explanations for why Batumi residents were denied the expected fruits of the post-Soviet era. Though the stories that people tell about the recent changes contain valuable antidotes to the teleological rhetoric of the free market, they replace this rhetoric with equally mythologized conspiracy theories. These conspiracy theories reveal how Batumi residents have come to understand radical social change. The stories also illuminate notions of ‘self’ and ‘other’ that were both challenged and re-solidified in the wake of the Soviet collapse.

1 See also Pine who stated that in Poland “the state and the public domain came to carry connotations of the oppressive ‘other,’ this time in conjunction not with Russia but with the ‘West’” (2002: 108).
The opening of the border

In 1988 when the border was opened, at first surprisingly little happened. A few visas were granted for family visits and transit trade; and a few tour operators started organizing cross-border trips (Nisanyan 1990:111). This 'serenity' suddenly ended in 1991 when the governments of Georgia and Turkey loosened restrictions on traffic. The border village Sarpi became one of the few gates that gave access to the capitalist west. In 1992 some 800,000 people, arriving from Georgia, Russia, Azerbaijan and other republics, passed the border gate at Sarpi. Besides the rush on Western consumption goods across the border, the opening offered the possibility of exporting goods, which was extremely profitable because of the huge discrepancy in price setting. Georgia was still in the ruble-zone and the prices of many commodities were still set by the state. Moreover, because the newly independent republic experienced severe economic decline and staggering inflation, people badly needed hard currency. Meanwhile, Turkish goods started to enter Georgia and filled the gaps in the distribution of consumption goods. Batum was strategically situated to profit from the new transnational movements and the city became a major trading center on the crossroads between Turkey and the Caucasus (see also Aves 1996).

Residents of Batumi vividly remember the first hectic years. The road from Batumi to the border – until then a dead end accessible only with special permits – became a major highway almost overnight. It was however a very slow highway, since time-consuming procedures at the understaffed customs meant that travelers had to wait for days before actually crossing the border. An acquaintance who used to work in Gonio – a town between Batumi and the border – told me his impressions.

Even there [in Gonio] cars, buses and trucks piled up in an endless row. People waited along the road for two, even three days. There were no toilets, no restaurants, no hotels. So they were forced to spend the night in their vehicles. You can imagine what kind of hygiene there was. The beach literally became a huge public toilet to the distress of the people living there.

For the villagers who lived along the 'highway,' the traffic-jam was both a nuisance and a source of unlimited economic gain. Elderly villagers remember the difficulty of travelling to Batumi and the shortcomings of the state in supplying both the villagers and the waiting crowd with food. But these nuisances, many villagers quickly learned, could be turned to their benefit. Those waiting in the line would buy anything that the villagers could lay their hands on – fruit, vegetables, cigarettes, vodka – at almost any price. Villagers thrived by setting up money exchange offices and kiosks selling drinks and food. During the night young men were involved in 'car-moving,' which, I was told, implied offering drivers the possibility to pass the

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2 According to the newspaper Adzharia (29-03-1995) every fifth inhabitant of Georgia made one or more trips to Turkey. Hale estimated that in 1992 some 3,000,000 visitors from the socialist bloc entered Turkey. The majority made shopping expeditions (1996:4).
border within a few hours. If the driver agreed and was willing to pay, the villagers could use their residence permits to drive the car up to the gate.

Those engaged in cross-border trade used various methods to make their trip worthwhile. An early strategy was to capitalize on the discrepancy between official currency rates and those that existed on the market. Until 1991 the ruble was officially still rated higher than the dollar. The trick was to obtain an international passport, which allowed for converting rubles into dollars at the official rate. As an informant explained, “With dollars you could buy anything in Turkey. But it only lasted for a few years. The ruble declined and thereafter people only had coupons, which couldn’t be used for any purpose.”

Around 1992 the most simple and effective way to generate profits, the method used by most traders, was to export cheaply obtained goods to Turkey. A common strategy was to buy goods in the state-shops at subsidized prices or to mobilize personal networks to procure these products directly from factories, and then to sell them at huge profits across the border. Selling was no problem, because “as soon as you crossed the border the Turks rushed into you to buy your goods.” This form of trade obtained massive forms, to the extent, as a Georgian geographer phrased it, that all the cheap (state-subsidized) goods “disappeared from shops all over the Caucasus as if a vacuum cleaner had gone through it” (Gachechiladze 1995:3).

Batum residents who were not professionally engaged in the trade still seized the opportunity to add income to their decimated wages. As the economic crisis in Georgia persisted the exodus of goods to Turkey rapidly increased. Old clothes, furniture, Soviet medals, bicycles, binoculars and cameras amongst other items, found their way to the ‘Russian markets’ in Turkey. Sometimes personal belongings were sold with the conviction that later they could be re-bought cheaply through the state shops, a hope that was never realized. One person told me that he had sold his stove for which he thought to have no more need. But when the central heating system of Batumi permanently collapsed one year later, he was forced to buy a Turkish stove that was more expensive and of lesser quality.

The petty trade carried out by thousands of individual traders was in volume at least equaled by the large-scale exports carried out by (representatives of) state institutions. Export permits were granted to institutions to enable them to generate funds for paying employees their suspended wages, but the bulk of money probably ended up in the pockets of managers and others who held strategic positions. Timber from the forest reserves began to move to Turkey; metal was stripped from industrial enterprises and even from tramlines to be transported across the border. This period later became known as the grand liquidation of Georgia, in which much state property was sold to Turkey.  

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1 The first trials concerning these illegal sales reluctantly made their way to the Georgian courts in 2000, but although some ministers resigned, no major sentences have been imposed.
At the time, public sentiment was generally positive about the opportunities of trading. The newspaper *Adzharia* published some of the reactions. A mother was quoted as saying, “if not for the new possibilities of trading, my daughters and I would have perished.” Another interviewee pointed out that he had been able to renovate his apartment from his profits and one man even mentioned the educational value of petty trading because it gave his sons the chance to practice business skills that would be needed in the new market economy (*Adzharia* 13-04-1993). Those who were well situated to participate in the trade, like many residents of Sarpi, were able to buy western cars and vans and they partly renovated their houses and apartments. Other proofs of people’s trading trips to Turkey are the audio-visual equipment (television, video recorders, radios) bought from initial profits. But nowadays these expensive items seem often out of place in apartments that otherwise betray impoverished lives.

The fulfillment of ‘capitalist dreams’ remained abortive for most residents of Batumi. In an interview at the local newspaper an attentive student foresaw what later would become a general sentiment: “for some the trip across the border is like a dream that will never come true. Children see the fashionable clothes in shops and the tasty looking food. But their parents are not able to buy those goods” (*Adzharia* 13-04-1993). Popular attitudes towards the border opening were shifting and grew more negative as the benefits of trade faded in the mid-1990s. An elderly man from Sarpi gave a dense summary of what he observed as the general trend.

[In the beginning] Young people made lots of money. But they didn’t keep it in their pockets. *Tuda, shuda* (literally ‘that way, this way’) and the money was gone. They just spent it all, mostly on girls, in Turkey or over here. But then the [traffic] line became shorter and they [authorities] brought order in the line and the opportunities disappeared. After that we became hungry again. So after the disintegration of the Soviet Union we expected that life would become better, but unfortunately that didn’t happen.

**Diminished opportunities and inverted flows**

Data on the transnational trade show large discrepancies, mainly because a large part of it was carried out by thousands of unregistered tourist-traders (see also Hale 1996:59). Despite the absence of reliable figures it is safe to say that while during the first years after 1990 the net flow of goods was directed towards Turkey, in later years the flow was reversed. Another significant change was that although the volume of registered trade increased, in subsequent years cross-border movements sharply decreased. While in 1992 more than 750.000 people crossed the

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4 The estimated value of exports to Turkey totaled 60-70 million dollars a month in 1993, while hardly anything went the opposite direction (Derlugian 1994:27). In 1996 imports from Turkey to Georgia totaled some 78 million dollars, 25 percent more than the total of exports (Resonans, no.157, 11-06-1997).
border, in 1996 only some 170,000 border-crossings were registered. In other words, the flow of goods was not only reversed, but the trade was carried out by a group of people that had greatly diminished in size.

For most ordinary citizens, the initial opportunities of transnational trade only lasted several years. This was partly the inevitable outcome of the fact that the sell-off of Soviet state property had ended and that trade became dominated by professionals, which made it more difficult for ‘amateurs’ to participate. Equally important was that in the mid-1990s local power holders tightened their grip on cross-border trade and thereby limited opportunities for petty-trading. I will argue that the diminished opportunities for ordinary citizens to participate in the trade, combined with the general deterioration of the economy in the 1990s are key in understanding why public opinion about the border opening grew increasingly negative.

CONCENTRATION OF THE TRADE

The indicators presented above point to the changed nature of cross-border trade. During the early 1990s the trading activities were mostly conducted by individual shuttlers or tourist-traders who exchanged whatever they could in return for cash and consumer goods. But in 1997, when I made my first research trip, little reminded of the hectic situation that had characterized the first years. Cross-border traffic consisted predominantly of large trucks, whereas smaller vehicles were largely absent. A few bus companies still ran daily lines between Trabzon and cities in Georgia, but their passengers went to Turkey mostly for occupational reasons. They were employed in hotels or worked as seasonal laborers on tea and hazelnut plantations, or they traded on the ruspazari (Russian markets) in Trabzon and other Turkish cities. The goods sold on these ‘Russian’ markets however, were no longer of Soviet origin, but were produced in China or Taiwan and purchased by Georgian traders in Istanbul or other large Turkish cities.

What had happened was that the Ajarian authorities had extended their control over the trade. New regulations made the trip across the border more expensive, and it was prohibited to trade in certain goods. As my informants told me, these included the most profitable goods such as beverages, cigarettes and liquid fuel. Further control over cross-border trade was achieved by a massive replacement of border personnel, which strengthened the ties between the customs and the Ajarian political elite. This reorganization did not end corruption at the border, but rather

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5 During the first ten months of 1996, 144,596 people crossed the border (Republic of Turkey, prime ministry state institute of statistics [http://www.die.gov.tr/English/Sonist/turizm 1997]).
6 This information is based on conversations with Georgians who lived ‘temporarily’ (between two to five years) on and around the Ruspazari in Trabzon, April and August 1997.
7 The fee for a Turkish visa was raised from USD 10 to USD 30 in 1995. Official fees on the Georgian side, including insurance vouchers, bank-statements and computer registration, amounted to USD 40 for one person with a car, which does not include taxes and/or bribes for transported goods.
8 Officially a monopoly was announced over 15-20 percent of the commodities (Adzharia 29-03-1995)
9 The Russian press bureau TASS mentioned that the presidium of Ajaria dismissed the entire 300
secured that informal payments were channeled more effectively towards the political elite. The Ajarian leadership refused outright to implement a directive from the central government in Tbilisi which demanded that control over the customs be handed to a British firm (intended to secure the cash-flow to the central budget). This provides a hint for the importance of the clandestine profits generated through cross-border trade. A recent report of Freedom House underlined the link between transnational trade and the position of local power holders, stating that in Ajaria “Illegal monopolies exist in the most profitable liquid fuel and cigarette markets, protected by top state officials and often owned by close relatives” (2001: 297).

The tightening of patronage networks within the Ajarian political economic environment meant that most trade became concentrated in the hands of a small group of people. To ordinary citizens it became evident that only this minority was allowed to share in the wealth. Of course, that people profited unequally from the trade had been clear from the start. Everyone had known about the self-enrichment of KGB- and customs-officers in the early 1990s. A typical guess was that between 1992 and 1994 a customhouse officer had “a very bad day when he earned less than 2000 dollars,” and the large mansions built by custom officers left little (or much) to the imagination. But whereas in the early 1990s ordinary citizens were – if only marginally – able to engage in the trade, in the late 1990s even these possibilities had vanished. Hayder, who had made numerous trips to Turkey with his son, gave the following typical summary.

In the beginning there was little control. All we paid was a small tip to the customhouse-officers and in return they allowed us to export cars filled with electronic goods, even though this was officially prohibited. [...] For the last couple of years we haven’t gone to Turkey any more. There are simply no goods left to sell. Besides, we can no longer pay the karmannyj nalog [pocket taxes] they demand at the border.

When I interviewed Hayder in 1997 he and his son were still involved in the trading business. Now that they were unable to go to Turkey they worked as street peddlers; reselling jeans and shirts that the ‘big shots’ imported from Turkey. For these men, and for Batumi residents like them, the trade is still important. Many are engaged in the transport of goods to other parts of Georgia; others make an income by reselling goods on the streets or capitalizing on small price differences between various importers. But the most lucrative part of the trade, the part that involves cross-border movement, has become out of reach for most Batumi residents.

The first image that is being prompted when people talk about the diminished possibilities is that of ‘the Mafia.’ People explain that the Mafia now fully controls the trade and collects all substantial profits. In ordinary conversations the identity of Mafia members is not usually specified, although when pressed people will say that the Mafia are ‘they’ (isini), and that statement is sometimes accompanied with a gesture into the air indicating that the Mafia is made up of those who are in power. Only sometimes were informants more concrete. They indicated that the

strong personnel of the regional custom department citing their unsatisfactory performance.
political leaders constituted the core of the Mafia, as in the reply of one informant: “Who is the Mafia? I don’t know. ... Sheverndadze, Abashidze, they are all the same. All the money ends up in their pockets.” The concept Mafia in this context refers to the extensive lines of patronage that dominate all economic (as well as political) activities in Ajaria, and that link the political leaders to all sorts of economic enterprises, including the customs and the police. These patronage networks are of themselves not condemned as morally wrong. On the contrary, the informal links that structure the economy and politics are usually commented of as the ‘cement’ of Georgian society and as the basis of many valued social practices. However, thus is the common opinion, ‘the Mafia’ has misused these informal links and by doing so deprived others from economic goods. When someone mentions the role of the Mafia he thus indicates his relative status within the network economy and evokes a differentiation between ‘them’ who have benefited from the trade and ‘us’ who are the victims of the recent changes. As such the concept is tightly related to the restructuring of economic flows.10

REVERSED FLOWS: WINNERS AND LOSERS

The previous section showed that reinforced regulations at the border and a tightening of political-economic networks reduced the opportunities for most citizens and led to highly visible social inequalities in Batumi. Discontent with these changes was blamed on ‘the Mafia.’ However, when commenting more generally on the plummeting economy people often evoked another ‘evil,’ in the form of neighbor Turkey. Turkey suited the status of wrongdoer particularly well because it was perceived as a cultural and religious ‘other’ and seen as a continuing threat to the Georgian nation, notions that were easily transposed to stories about the new trade. But to understand how and why Turkey was blamed for the economic dislocations, we first need to explore the wider context in which the border opening occurred.

The new possibilities of trade occurred simultaneously with the collapse of the overall economy of Georgia.11 The decline hit almost every economic sector in Ajaria. As a prestigious holiday resort Batumi had attracted tourists from diverse parts of the Soviet Union. This influx of tourists abruptly ended with the disintegration of the Soviet Union and it is unlikely that the beaches of Ajaria will attract substantial flows of tourists in the near future, since tourists have found more exotic, sunnier and better equipped resorts in Europe and the Turkish Mediterranean. Besides tourism, Batumi also lost its car-manufacturing and oil refinery industries that had formed central pillars of the local economy. The factories were abandoned, disman-

10 This is not to say that the ‘real’ Mafia does not exist. As Humphrey noted, it is important not to confuse the ‘conceptual mafia’ with the ‘real thing’ (Humphrey 2002a: 101). An analysis of the ‘real’ Mafia would have to be a subject of another study. Here I concentrate predominantly on how the concept ‘Mafia’ is used in everyday explanations of economic and political change.

11 Between 1989 and 1993 the Gross National Product of Georgia declined with 66 percent. A World Bank report stated that some 90 percent of the population of Georgia lived below the poverty line in October 1993 (Fuller 1994: 34) and expenditures of an average household on foodstuffs rose from 36 percent in 1985 to 79 percent by 1993 (Gachechiladze 1995: 117).
tled and partly sold across the border as scrap metal. Although since 1996 the economic situation has stabilized and a gradual recovery of the economy is observed, it is a long way till pre-1991 levels of production will be reached.

The impact of changed geopolitical circumstances can be effectively illustrated by changes in the agricultural sector, especially concerning the production of tobacco, tea and citrus fruits. The changes in the production of these crops also explain why negative sentiments about the border opening are particularly strong among those who depended on the cultivation, processing and trade in these commodities. In the 1980s the coastal region of Ajaria was considered one of the most prosperous agricultural regions in the Soviet Union. The subtropical climate and the protection from competitors offered by the Iron Curtain meant that Ajaria (with the rest of western Georgia) practically had a monopoly on the supply of subtropical crops within the socialist bloc. These crops secured a steady income for kolkhozniki and provided employment in retailing and processing. Moreover, the citrus fruits that were cultivated on private plots could be sold at tremendous profits at the kolkhoz markets throughout the Union.

The unique position within the economic structure was lost after the collapse of the Soviet Union and the opening of the border with Turkey. As a result of the civic strife and continuing unrest in Abkhazia and the North Caucasus, the most important (Russian) market became inaccessible over land. Moreover, while transport from Ajaria to Russia was seriously hindered, trading relations between Turkey and Russia quickly expanded. Ajaria had to compete with the superior produce of Turkey while lacking an adequate infrastructure. The production of tea fell 93 percent between 1991 and 1995, while the production of citrus fruits dropped by 50 percent (Adzharia 16-11-1996). On the fields, tea has gradually been replaced by subsistence crops like corn, potatoes and beans. For the inhabitants of Ajaria this collapse of the rural economy is tragic enough in itself, but discontent is further intensified by the fact that these same commodities are now imported from abroad. Shops in Batumi sell English and Indian but no Ajarian tea, the Tbilisi Coca-Cola factory imports Turkish oranges for its soda’s and virtually all cigarettes that are consumed in town are manufactured in Turkey.

The new trading opportunities may have been vital for Batumi residents to make ends meet in difficult times, but the trade does not make up for the general economic decline. Moreover, while living standards in Ajaria have dropped significantly since Soviet times, Turkey’s neighboring region has prospered. Since the 1970s Turkey has expanded its cultivation of tea and hazelnuts (Hann 1990; Stokes 1993: 41). This endeavor, combined with the new trade contacts in the former USSR, has speeded up its economic development. The Turkish press spoke of the “Golden Era” of trade with the former Soviet Union, which created an economic boom in the Turkish border towns.12 The increasing gap between Turkey and Georgia does not

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12 As stated in Adzharia 17-06-1995. See also Hale (1996: 57-61).
remain unobserved in Batumi. The following comment was typical of public opinion in Batumi concerning the widening gap of economic performance.

If you had been in Turkey some ten years ago, you would have seen how poor they were. There was nothing there, maybe a few wooden houses, while now they have beautiful office-buildings and banks, luxurious shops and hotels, really everything. Turkey has been able to develop itself at our cost (literally 'on our necks'). But for us the opening of the border meant nothing but misery. [...] We sold everything and look what we have now, nothing at all.

People in Batumi have ample 'evidence' indicating that Turkey has disproportionately benefited from the trade. This evidence concerns the initial sell-off of state property to Turkey and even more so the reversal in the flow of goods. As a Georgian customs officer put it,

The trade was at its height between 1992 and 1994. In that period Georgians sold many things in Turkey, but they sold it then much too cheaply. Now it is the other way around, but we still have the same problem. Georgia sells wood to Turkey at 30 dollars per cubic meter. In Turkey they make furniture of it and sell it back to us at five times the original value of the wood.

The new patterns of trade are perceived as a grand liquidation of Georgia that has enriched Turkey and left Georgia without possessions, products, machinery or raw materials. “We have sold our country,” several Georgians told me. “In the beginning, the Turks paid almost nothing little for our belongings and now they sell goods you can only use once [odno-rozovye tovary] at huge prices.” After having commented on the poor quality of Turkish imports a middle-aged teacher exclaimed: “But what can we do? For us there is no other way out. If we had other neighbors, if we could go to Western Europe, we would not even care about Turkey.”

So far several factors were mentioned that contributed to the negative perceptions of the border opening. First, although trade has increased between Georgia and Turkey, most ordinary citizens are no longer able to take advantage of this because they lack the necessary contacts or capital. Moreover, they observe that goods that were once produced in Ajaria and exported to other Soviet republics are now imported from Turkey, something that is perceived as diminishing their possibility to engender income. They observe a deterioration of their own livelihoods, and witness that only a small group of (political) entrepreneurs are benefiting from the situation. Popular ideas of the Mafia and conspiracy theories with reference to Turkey seem to corroborate their observations. Turkey is blamed for having taken advantage of Georgia’s weak position, of enriching itself while depriving Georgia of its wealth. This nationalist rhetoric points beyond the negative aspects of trade to ideas of identity and territory that were challenged by the flow of goods and people. The dimensions of the moral economy in Batumi can be effectively illustrated by a focus on the goods that entered Batumi and found their ways into the households of most residents. To these aspects, the nature of commodities and the interpretation of cultural and economic flows, I will now turn.

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Consumption is one of the key means by which people render their social experience intelligible (Miller 1995:149), and according to Douglas and Isherwood constructing a coherent universe from the worlds of goods is the most general objective of every consumer (1978:65). This goal is arguably most tedious when established consumption patterns are confronted with radical changes in the worlds of goods (see for example Gell 1986). In Batumi, radical changes in the availability and affordability of consumption goods resulted from the disruption of the state distribution system and the new flux of goods across the border. Compounding this sense of uncontrollable flux was the fact that status of the goods themselves changed status. The resulting frustrations and confusion felt by consumers are suggestive of their difficulty to arrange goods into new coherent frameworks. In this section I will examine shifts in the meaning of commodities (cf. Kopytoff 1986:64) to reveal aspects of the moral economy behind the economy of visible transactions.

Several anthropologists (Veenis 1999; Verdery 1996; Berdahl 1999) have described the fantasies of people in the former socialist bloc about western consumption society. The West was perceived as an earthly paradise, as an imaginary world replete with material goods (Verdery 1996:189). When the Wall collapsed and western consumption goods became available, these fantasies were confronted with reality. Veenis (1999), writing about former Eastern Germany, describes how the confrontation of these dreams with postsocialist change resulted in disillusion and the disappearance of the dream. In the preceding section I argued that the proximity of Turkey and prevalent ideas about the Mafia have provided conceptual tools to keep the dream of the West alive, despite the great dislocations produced by ‘the transition.’ People retained their dreams of modernity by denying the capitalist nature of contemporary changes. Dense reports of how the changes in the economy and the images of modernity intertwine can be retrieved by focusing on the changed world of goods in Batumi.

**CONSUMERISM AND THE TRAJECTORY FROM SOCIALISM**

The most pervasive Cold War images about consumption in the Soviet Union are those of shortage, empty shelves and queues in front of state shops. The images, no matter how much truth is implied in them, hinder proper understandings of the changes in consumption because they produces a false comprehension of consumer behavior in the Soviet Union. Besides the fact that the images were more applicable to the cities of central Russia than to sub-tropical Batumi with its privileged status as a holiday resort and its rich *kolkhoz* markets, they rest on the assumption that in the Soviet Union people were equally dependent on shops as in the West. It neglects the importance of subsistence production and the pervasiveness of personal networks, especially in the shadow economy, which played a central role in the Georgian Soviet economy. The anthropologists Mars and Altman (1984) convinc-
ingly argued that personal networks were the factual pillars of the economy, by which access to jobs and services as well as consumption goods was organized (see also Dragadze 1988; Fairbanks 1996). In such an environment the picture of empty shelves has a different meaning than we are likely to attach to it, and is radically opposed to the way people remember consumption opportunities of the Soviet era. Consider for example Teimuri’s comments on the availability of consumption goods:

We used to have European goods over here, from Czechoslovakia, Yugoslavia and even from the Netherlands and England. The government exchanged oil and metal for cloth and other products, such that we could buy coats and trousers. And then of course the sailors smuggled many products. They bought coats, liquor and cigarettes in the West and sold it in Batumi. The customs did not pose a problem, for this is a small town where everybody knows each other. Of course they [sailors and other importers] did not sell it in the streets, but through their relatives and friends. This was a very extensive network. In Kutaisi for example you could buy rare medication from the Jews. You could get everything, although you had to put some effort in it. Back then you needn't worry about most things. You could always buy bread, tea, food, and clothes. Maybe it was difficult to obtain luxury goods, but that was not too serious a problem. And once you got it you were happy. People didn't have as many presumptions as [they have] now.

It might be compelling to interpret the above statement as selective nostalgia that omits the deficits of consumer goods. But the difficulties of gaining access to commodities – especially basic goods – should not be overstated. One has to remember that Batumi as a port-city and a holiday resort had a relatively rich supply of goods. Moreover, the diverse rural economy of Ajaria meant that the kolkhoz markets were usually well-stocked with fruits, vegetables and milk-products, and that real shortages in the food supply hardly ever occurred. But more importantly, the comments point to the change from a period in which not money but access to goods was the crucial factor to a period in which all the goods are available but often beyond the pockets of ordinary residents.

The opening of the border definitely brought about a tremendous increase in the availability and variety of consumption goods. In the center of Batumi numerous luxury shops have been opened and small grocery stores can be found on almost every street corner. The five large open markets are buzzing with activity and display a rich array of goods, ranging from clothing and make-up to construction materials and computer software. But it is only a small elite that profits from the abundance. For most people the appearance of new consumption goods is hardly an improvement; they cannot afford them anyway.

Douglas and Isherwood argued that industrialization complicated life for consumers (1978: 104); in Batumi the effect of the new commodity flows was far more intense. First of all, people need to deal with the rising costs for most commodi-

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13 An indication of the importance of the kolkhoz markets in Soviet Georgia is a study carried out in 1979 that revealed that in Tbilisi almost 40 percent of the total expenditure for foodstuffs was spent on kolkhoz markets (c.f. Gachechiladze 1995: 126).
ties, as well as with the difficulty of establishing a fair price in an unstable market. "In former times we had everything in the shops at fixed prices. Now it is the opposite. You need to bargain everywhere." Quality and price-differences are much more pronounced than they used to be, and as everyone in Batumi knows it is often not easy to find out what is fake and what is real.

**REORDERING GOODS: UNSTABLE TAXONOMIES OF PRODUCTION**

In Soviet Batumi the way to gain information about consumer goods was to inquire about their origin. There was a more or less stable hierarchy of value based on site of production. At the top stood goods like trousers, shoes and paint from the GDR, Czechoslovakia and other Eastern European countries, followed by goods produced in Russia and the Ukraine. The lowest values were attributed to goods produced in Central Asia. Floating above this rudimentary taxonomy were 'foreign' products that only irregularly entered Batumi households. Middle aged and elderly informants regularly evoked the times when they ate Dutch cheese, drank coffee from Brazil or watched Indian movies.

Preoccupations with the origin of goods continue into the present, although the relation between origin and quality has become more difficult to determine. A rudimentary classification of goods through their presumed origin can be summarized as follows: Western products are expensive, but beautiful and of good quality. Russian products are cheap and have good quality, although the aesthetic value is low. Turkish products are also cheap and look relatively good, but they are of extreme poor quality. Georgian products finally, are mainly restricted to home-produce and consumption. They are valued for their purity and function sometimes as a source of national pride.

The values attached to commodities of different origins become clearer in their mutual relation. Turkish commodities are contrasted with the better-quality Russian goods that have now mostly disappeared from the markets. At the bargain markets in town you frequently see kiosks with signs advertising Russkie tovary [Russian goods], while the origin of Turkish goods is preferably concealed. In a typical response comparing Turkish and Russian goods, one informant commented, "Maybe the Russian stuff doesn't look very beautiful, but the quality is good. Compare for example blouses. If you wash and iron a Turkish blouse two times it will fall apart, while Russian clothes will remain good for years." Nevertheless, most people agree that Turkish products at least look better as is illustrated by the following comment: "The chocolate from Turkey is worth nothing and it is old, but you can sit down behind the packaging and look at it for hours. As if it were television." But in this cynical remark beauty is hardly considered a point in favor, for the outlook of Turkish goods is at best misleading.

The assessment of foreign products is not simply a balancing of the pro's and cons. My informants mostly gave a total valuation of the commodities and thereby stressed certain characteristics while neglecting others. Thus, that Russian products
have a low aesthetic value is less important than their quality and low-expense. Western products are forgiven to be expensive because they last long and have a high aesthetic value. Turkish products on the other hand, are not considered to be low-priced or beautiful: they are seen as expensive because lacking quality. Concerning Turkish goods, both price and outlook are misleading properties.

Western goods are tremendously popular in Batumi. *Coca-Cola* and *Fanta* have become indispensable drinks at Georgian banquets. *Mercedeses* are valued not only for their good quality but also because they are considered powerful and masculine cars. New beauty shops and boutiques attract their customers with images of the European Mediterranean. Many of my acquaintances had a far greater knowledge than I did about the relative quality and prices of various brands of electronics, European cars (new and second hand), cell phones, computers and cigarettes. However, the problem of deception noted in reference to Turkish goods is equally present in the case of Western goods. The problem is that it is often hard to distinguish between ‘real’ and ‘counterfeit’ Western goods.

A case in point is that of cigarettes. Since the beginning of the 1990s numerous cigarette brands entered the Batumi market. Soon cigarettes with names as *Kennedy, Taste of America, Party Cigarettes, or President* replaced the Soviet brands. When people asked me whether these cigarettes were sold in the Netherlands, they took my denial as further proof that Georgia was being used to dump bad quality products. According to my informants general shifts had occurred in what were considered good-quality cigarettes. At first any western-looking brand would do, but when people found out that these brands were counterfeited, they turned to the (still relatively cheap) *Parliament* cigarettes, which later lost in popularity in favor of *L&M*. But these cigarettes were not the ‘real thing’ either, and several people pointed out that *L&M* were second quality cigarettes of Philip Morris, specially produced in Turkey for the former socialist bloc. Those who are aware of this (and who can afford it) now increasingly turn to *Marlboro*. But even these popular cigarettes, which are sold for two Lari (one USD) per package, are not necessarily ‘real’ as I was made aware of during a diner. When I tried to light a *Marlboro* cigarette a rich customs officer grasped it away. “Here take one of these, they are imported from America.” He proudly remarked that they had cost him eight dollars a package and showed me the original American packaging of his expensive cigarettes.

By classifying goods through their presumed origin even when the origin can not be known for sure or when the product is manufactured in more than one country (which is the case with many ‘new’ goods), people manage to attach meaning to the changes taking place in the world of goods and the local economy. The attachment of the label ‘Turkish’ on all commodities that are considered worthless and preservation of the label ‘European’ for those products that are highly valued has strengthened peoples’ moral map of both the past and the future. The stories about foreign products also contain a time dimension. Whereas Russian products refer solely to the past, Turkish products refer to the disliked present, while Western products still trigger
wishful images of the future. Many Georgians express nostalgic thoughts about the Soviet Union by referring to the price and quality of goods. By stressing the solid and reliable nature of Russian goods, people communicate the discomforts connected to deteriorated living standards and loss of security. In contrast to Turkish goods, European products represent a dream of a better and more colorful life. I will now consider how notions attached to new consumer goods are related to the opening of the border and the dislocations in the local economy.

**Conspiracies and the market**

The new goods that have entered the Batumi markets are arranged according to origin, quality and price. As we have seen above, Turkish goods are generally disliked. They are considered trash and described as useless (bezpolesnyj), poor quality, and even damaging to one’s health. In part these valuations can be understood as frustration with the deterioration of life in the post-Soviet era, which is directed at Georgia’s historical, and, since the opening of the border, immediate ‘other.’ The disillusion connected to the new flow of goods and the dependency on trade with Turkey has reinforced existing stereotypes. But the stories that are told about Turkish and other goods go beyond the mere representative. When the relative quality of goods or the increased prices were discussed, my informants were not simply making an observation of a fact, but instead they raised the issues because they demanded answers. In other words, the changes in the economy were not ‘simply’ taking place, but were seen as having specific causes.

To understand the dilemmas and questions that my informants raised and answered, it is important to note that discussions about the negative aspects of economic change were simultaneously discursive confrontations between, and amalgamations of, ‘Marxist’ and ‘Capitalist’ views of the economy. My informants were usually well informed about presumed mechanisms of the market and concepts such as supply and demand, competition and inflation. Besides their own experiences with trading and more broadly with the changes of the last ten years, they also had been supplied with media reports about the workings of ‘the market’ and the necessity of market reform. But as I will show, for my informants these market theories could not always explain why prices and quality of goods had so radically changed. The accounts used in the next sections were collected among inhabitants who experienced a deterioration of life-standards, that is, among those for whom the questions concerning the changed economy were most pertinent. I have structured my argument around three typical questions that were often prompted in discussions about economic change.
WHY DID THE PRICES RISE BEYOND EXPECTATION?

The reasons behind the staggering prices bewildered many of my informants. This is not surprising given the fact that in Batumi, like elsewhere in the Soviet Union, the prices of basic consumption goods, transport and accommodation had remained stable for decades until the 1990s. Moreover, the sudden price increases challenged the widespread and attractive notion that ideally the pricing of goods should conform to the costs of production. In other words, every product was assumed to have a ‘real’ price that served as the basis from which people evaluated the changes. I will quote from an interview with Murman, a fifty-five year old former mechanic, in which this specific concern is discussed.

We used to have well-stocked shops on each corner. But they closed them and now the Mafia controls everything. First they wanted to make a little bit profit, maybe one Lari. But now it already came to a stage that they say that a sack of flour costs 50 Lari, simply because they want to have more money. They want to have ten Lari profit; one [Lari] isn’t enough for them. Why would the price of flour be 50 Lari? During the Soviet Union a sack of flour was six ruble in our Russian money, so approximately 10 dollars, and now it is 25 dollars.

To Murman it was clear that the Mafia manipulated the price-levels and could simply “say that a sack of flour costs 50 Lari,” even though the ‘real’ price was much lower. The conviction that there is a ‘real’ price of goods points back to the Marxist dogma that the cost should be equal to production plus labor costs. But Murman was not unaware of the dynamics of ‘the market.’ The standard ‘market’ answer would have been that the price increases were caused by inflation. To account for this possible factor Murman traced the respective prices back to their supposedly inflation-free value in dollars.¹⁴ The comparison taught him that the price of flour had nevertheless more than doubled. Another informant referred to the same issue, stating that “in Turkey there may be inflation, but it is inflation of the Lira, while in dollars the prices remain the same. But here in Georgia we have an inflation of the dollar as well, everything has become more expensive.”

The comparisons made by these informants may not be valid from the perspective of an economist. What they ignored was that in the Soviet Union the prices of consumer goods (as well as exchange rates) were set by the state and were not directly related to economic costs or international exchange rates. But for my informants the comparison was a very real proof that market concepts were insufficient to account for the rising prices.

The quoted text suggests a less abstract cause for the price increases. Arguing that ‘the market’ was by itself unable to have caused the changes, Murman logically concluded that the prices were manipulated. The cause that he brought forward was the greed of the Mafia, who increased the prices because “one Lari is not

¹⁴ Murman was carefully seeking explanations for the price rises instead of making a rhetoric point or underlining economic hardship. Had the latter been the case he could have contrasted (as was common) the spending power of former and present wages and reveal a far more dramatic difference.
enough” profit for them. The discomfort communicated through this statement is about the uncertainty as to where this manipulation will lead. ‘They’ could simply decide that they wanted to make more money and accordingly increase prices. ‘They’ controlled the prices and little could be done about it.

**WHO MANIPULATES THE QUALITY OF GOODS AND WHY?**

Discontent with the increased cost of living is matched by concern about the quality of the new goods that have entered Batumi. The next example provides an indication of the kind of speculations that people have about the forces behind the flow of goods. It also illustrates the uncertainties of the bazaar economy.

When I was sitting in the bus I heard a man say that his kids got rashes from Turkish flour. They say that the Turks add chemicals to their flour and physicians are aware of this problem. And when you use Turkish washing soap your skin starts to peel off. The children start to scratch from itches and this is very difficult to treat. They say that the Turks want to harm the Georgians with washing powders, that they export sweets to injure the children and they damage the men through cigarettes and vodka.

The use of chemicals is often prompted when the negative quality of Turkish goods is discussed. Because of their invisibility, chemicals poignantly reflect anxieties with regards to the new goods, of which the quality is difficult to determine and the outlook may be deceiving. But stories about the manipulation of consumption goods also reflect frustration and incomprehension about the fact that Turkish goods have pushed locally produced crops and goods out of the market. An indication of this concern I encountered when invited to a drinking session. When the host offered *Yup* (instant lemonade) to go with the vodka, his thirty-eight year old son Otari immediately exclaimed: “What is this! Taste in a little bag!?" and turning to me he continued “Now you see what the Turks are doing to us. They sell powders and ‘plop’ you have fruit juice... or ‘plop’ and you have vodka.” He and the other men laughed, but Otari continued his comments in a more serious tone of voice, saying: “Because of Turkey it is hardly profitable for farmers to grow crops. If potatoes are actually worth 40 tetri [cents], then they [the Turks] come with their fake potatoes so that the price drops to 30 tetri. The same with cucumbers, they are all counterfeit. They add some chemicals to the plant so that they can grow a whole cucumber in a single day, while here it takes an entire month.”

The message of these remarks seems to be that through deception and falsification of products Turkey has pushed local producers out of the market. In this context, it is not the prices that are manipulated, but the quality of the goods. The same concern was present in the following account: “Macaroni for example. If they have spoiled grain, they just put it through the mill and sell it anyway. If a [Georgian] sack costs 30 rubles, someone without money will buy the Turkish sack for 10 ruble. Such a life we have now, it is a very difficult time for us." In this anecdote there is both a ‘real’ quality and a ‘real’ price to a sack of macaroni. The price is set at 30 rubles (actually Lari) for a sack of ‘real’ macaroni. But as the anecdote shows,
through falsification and the use of bad quality materials, ‘fake’ macaroni can be sold below the ‘real’ price. Interestingly, the argument prompted by informants in the previous section is reversed here. Whereas then it was argued that the Mafia drove up the prices, here it is argued that the prices of Turkish products are too low for local producers to compete with.

The contradiction between stories arguing that prices have gone up steeply and other stories claiming that Turkey sells products below the ‘real’ price can partly be explained by looking at the intent of the stories and the different roles of the storytellers. Obviously, ‘consumers’ are most concerned with the rising prices. These concerns were prompted when people talked about the difficulty of making ends meet. The alleged manipulations of quality and their lowering effects on prices were mentioned by ‘producers’ who aimed to explain why in Ajaria it is so difficult to set up viable businesses as farmer or as manufacturer of goods. Of course people are often both consumer and producer at the same time, but the incongruities between these two explanations not necessarily concerns them. As my assistant replied (half-jokingly) when I asked him about the incongruities: “well, you know, this entire perekhodnyj period (transitional period) has been a contradiction.”

WHAT CAN EXPLAIN THE DISLOCATIONS OF THE NEW ERA?

The stories about economic change and the conspiracy theories are those of people who are being pressed to the margin by market forces. The statements explained people’s own misfortune as well as how others (like custom-officers and state representatives with modest official wages) could have turned into millionaires. The stories also explained why post-Soviet change had not lived up to expectations and why the Georgian economy remained in a state of crisis. It is here that the notions of the Mafia and popular ideas about the opening of the border converge. The following example is from Rolandi, an unfortunate businessman who lost most of the money he made through trading after he set up a small mandarin-juice processing workshop and was unable to sell his product profitably. His comments show both frustration with his own misfortune and regret about the economic situation in general.

The system is profitable for the Mafia. Why would you buy Turkish flour if you are able to grow it yourself? Why would we need to buy clothes from Turkey if we had those factories in our own country, why? You know why? Because for the Mafia it is profitable if the factories don’t operate. Because [then] they can buy goods cheaply in Turkey and sell them expensively over here. [...] They are like vultures that eat dead corpses. Like vultures they have destroyed and sold our factories. I tell you, this didn’t happen anywhere else, not in the Ukraine or in Russia, not in Latvia. They only did it here. And they allow no one else to set up businesses [...] In Tbilisi a cigarette factory was opened [but] already three times production was shut down because of a fire in the factory. The Mafia set fire to it, because they can make much more money by importing than by producing, because that would mean competition and than the profits would be lower.
Rolandi was convinced, and with him many others, that the decline of the economy could be explained by the direct involvement and interest of the Mafia. People argued that the Mafia in Georgia was not like the one in Italy, because there the Mafia was actually part of the economy while in Georgia it was simply claiming everything for itself. The destructive force attributed to the Mafia or simply to those in power, was also evident in a popular anecdote. Someone would say that he hoped that ‘they’ would destroy everything even faster than they had done so far. The explanation of this unexpected statement would be, that ‘they’ wouldn’t need an honest worker as long as they hadn’t destroyed everything, but once they had reached that point they would come to him and ask him to help rebuilding the country.

The conspiracy theories of my informants do not give ‘objective’ explanations as to why prices have risen or why local farmers and manufacturers are unable to compete successfully with import goods. What they do however, is to draw attention to the unintended and unanticipated outcomes of the recent economic transformations. Rolandi’s insistence that it is more profitable for the elite to retail goods than to set up ‘honest’ businesses is similar to Burawoy and Krotov’s provocative statement (1992) that the post-Soviet era sees the rise of ‘mercantile capitalism.’ If we would preserve confidence in the validity of neoliberal transition theories the stories at best illuminate the ‘side-effects’ of the transition. But the centrality of these ‘side-effects’ in local narratives implicitly raised the question, and according to me rightly so, whether these unanticipated changes are only side-effects. The local voices thus question the usefulness of market theories for understanding economic change in Ajaria.

In many of the stories that have been presented above one can detect mythical elements and misdirected discontent for what the actual destabilizing effects of global economic forces were. But, and that is a crucial aspect, ‘the market’ was not sufficient to explain the present economic situations. In fact, several ungraspable forces have been combined by inhabitants to help them deal with present day economic realities. The unequal forces of the ‘free market’ and the actual interests of power holders converge in what is called the Mafia. The commentaries of ordinary people were not far of the mark, and they certainly reflect post-Soviet realities in Ajaria better than the insistence of government bodies that gradual achievements are being made to complete the transition to a market democracy. But the stories also were about the relative lack of power of those who told them. The Mafia as a metaphor of asymmetrical market forces had bereft them of their past status and hopes of future advancement.

Katherine Verdery observed in Romania that for many citizens “‘the economy’ was beginning to become an impersonal, unregulated social fact, something to be taken for granted because it worked” (1996:184). In Batumi, few people would attribute self-regulating qualities to ‘the economy’ and would not agree that it ‘worked,’ at least not for them. Instead they saw – quite realistically – economic processes as tightly interwoven with webs of power that were simultaneously exclu-
sive and unpredictable. Their use of the term Mafia should be understood in this
ccontext. The relevance of the term ‘Mafia’ for my informants was not that it
characterized certain practices, but that it set a line between ‘us’ who have been
victims of the changes and ‘them’ who have benefited from the collapse of the Soviet
Union. Moreover, the Mafia served as an image in explanations of why the transition
had failed. ‘The Mafia’ was the personalization of obtrusive forces as well as an
appreciation of the fact that the recent changes had relatively little to do with eco-
nomic models assuming an automatic transition from socialism to the ‘free market’.
Because ‘the Mafia’ offered a specific cause to the present economic dislocations,
hopes that the ideals of a ‘modern’ and wealthy end-stage would eventually be
reached could be preserved.

Preserving the dream

When I argued that many people held on to the dream of modernity,
this did not imply that people saw their own situation as having in any way
approached that dream. As has been extensively illustrated, people experienced
changes that were perceived as pushing them in the exact opposite direction –
towards backwardness and poverty. In a discussion on trader-tourism between
Bulgaria and Turkey, Konstantinov (1996) argued that while capitalism was for a
long time perceived as the final ‘safe haven,’ this image is now replaced by the rea-
lities – insecurity, inferiority, immorality – of the trade-route itself. With the demise
of the Iron Curtain Ajarians have faced similar realities, but at the same time they still
see themselves as travelling to the final ‘safe haven.’ They do not have to abandon
their goal and their fantasies about future life, for they can blame more immediate
and personal forces for the dislocations that are taking place. The hope that these
dangers can be defeated has not disappeared. And answers about how to reach the
bright future are actively being produced.

The issue that remains is how the feelings of insecurity, inferiority and
immorality are counteracted, in essence, how the ‘safe haven’ is reached. In this
respect, a comment of Caroline Humphrey about perceptions of chaos in Russia seems
equally applicable to Ajaria. “The nightmare of chaos, in this way of thinking, is
counteracted by the exercise of power. This is different from the strand of Western
European thought which conceives of the state in reified form as ‘that which has
always existed’” (Humphrey 2002a: 28). So the dislocations have reinforced two
strands of thought. On the one hand, a continued longing for ‘The West,’ and on the
other, a wish for the reinstatement of rightful order, that is able to check the injustice
done to ordinary citizens and to Ajaria/Georgia in general. As we will see in the next
chapter, the present regime of Ajaria has skillfully appropriated these two longings. It
has done so by presenting its rule as a form of authoritarian democracy, which will
guarantee the ‘revival’ of Ajaria and its ‘reconnection’ to Europe.