



“Money can’t buy me land”: Foreign land ownership regime and public opinion in a transition society



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ABSTRACT

In recent years, as part of the broader policies of economic liberalization, the sale of agricultural land to foreign citizens has attracted considerable political, social and media attention in transition societies. The regime of land ownership in Georgia has evolved from the complete restriction of foreign acquisition in the beginning of the 1990s, to the unrestricted sale of land to foreign citizens from 2010 onwards. An analysis of newly-available data from International Social Survey Programme’s (ISSP) National Identity module suggests that respondents in Georgia, along with Russia, hold the most negative attitudes toward selling land to foreigners compared to other countries. I hypothesize that this is the result of a confluence of factors such as the communist legacy, historical memory, rural nationalism, agricultural underdevelopment and inequality. The quantitative part of this article tests socio-demographic, geographic, ideological, and identity-based explanations of within-country variation in attitudes toward the purchase of land by foreigners. The results suggest that socio-demographic and geographic variables such as respondents’ age and regional belonging explain some variance in the dependent variable, but that the major effects stem from individuals’ perceptions of economic protectionism, xenophobia, and ethnic national identity.

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1. Introduction

Reforms and privatization of agricultural land in Central and Eastern European transition countries have been central themes in land use research and academic scholarship (Baumann et al., 2011; Giovarelli and Bledsoe, 2001; Hartvigsen, 2014; Prishchepov et al., 2013; Swinnen, 1999; Wegren, 1998). This article is concerned with selling agricultural land to third country nationals, which has attracted considerable public and academic attention and especially in the new European Union (EU) member countries during their accession process (Burger, 2006; Swinnen and Vranken, 2009; Tesser, 2004; Wood, 2004). Another interesting case is Georgia, one of the least developed transition countries and where the United National Movement (UNM), under President Saakashvili’s leadership, pursued the strategy of extensive economic reforms, including liberalizing the immigration system (Gabrichidze, 2012) and introducing a dual citizenship regime (Gugushvili, 2012). The latter measure accelerated an influx of foreign nationals into the country and, allegedly, helped to resurrect nationalistic sentiments that prevailed in Georgian society and politics in the first half of

the 1990s (Sabanadze, 2010). Consequently, the Georgian Dream Coalition, which came into power after the 2012 parliamentary elections, started to retract “open door” policies by adopting new laws on the legal status of aliens (Parliament of Georgia, 2014a) and citizenship (Parliament of Georgia, 2014b).

The trend of increased interest among foreign citizens in Georgian agricultural land has been observed since the late 2000s. The main reason for this was that the country provided relatively inexpensive and highly fertile land, which together with easy acquisition and lack of red tape stimulated an immigration of farmers (Civil Georgia, 2013). The latter process came to a halt when the ruling Georgian Dream Coalition proposed a ban on the purchase of land by foreigners and justified this restriction in the name of protecting public interests. Agricultural land was declared to have strategic importance for the security of the country (Parliament of Georgia, 2015a). One of the most credible assessments suggest that by 2014 foreign nationals owned approximately 18.5 thousand ha of agricultural land in Georgia (Anderson, 2014), which is about 0.6% of the country’s total land size (FAO, 2012). Apart from big international investors, arguably the highest share of foreign land ownership was attributed to Indian farmers. Various media outlets presented the news with openly xenophobic headlines: “Georgian farmers are confronted with the problem of an invasion of Indians”; “Attracted by low prices, thousands of Punjabi farmers bought land

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in remote parts of Georgia, which irritates locals”; “Georgians are not happy that Punjabi farmers are attracted by new and cheap land in Georgia” (CARIM-East, 2013).

In addition to political discourse and media attention, a number of recent public demonstrations against selling land to foreigners also suggests that the described “open door” policies might have revived dormant nationalism in Georgia (Nodia, 2013). This is in line with an idea that foreign land ownership in post-communist societies can provide a platform for the rise of ethnocentric sentiments, just as immigration has done in Western Europe (Tesser, 2004). There is a lack of empirical studies which specifically investigate public attitudes toward selling land to foreigners not only in Georgia, but also in other nations where the relevant survey data, through the International Social Survey Programme’s (ISSP) National Identity modules, have been available since the 1990s. To fill in this research gap, the quantitative part of this article is based on the first ISSP survey in Georgia conducted in 2013 (CSS, 2014) which revealed that more than 77% of respondents agreed that foreigners should not be allowed to buy land in their country. This is the second highest rate, after Russia, among 32 nations with comparable data. After discussing the foreign land ownership regime, the current article intends not only to describe public opinion in Georgia and highlight possible explanations of cross-national differences, but it also examines attitudes toward the purchase of land by foreigners at the individual level.

2. Foreign land ownership regime in Georgia

2.1. Zviad Gamsakhurdia, minorities, and first regulations

Apart from Abkhazians and Ossetians, all other ethnic minorities in Georgia overwhelmingly supported the country’s independence (Slider, 1991). In line with this, the first President of Georgia, Zviad Gamsakhurdia, is often remembered by the slogan attributed to him: “Georgia for Georgians.” One of the reasons for this was an apparent threat implied by Gamsakhurdia that those opposing the interests of the nation would not be eligible for land ownership in the country. Aside from the forceful displacement of ethnic Ossetians from Georgia proper, there were no specific and institutionalized measures restricting land ownership by non-Georgian ethnicities. The citizenship law, first drafted in 1992, did not discriminate against minorities and therefore did not restrict their land ownership rights (The Supreme Assembly of the Republic of Georgia, 1992). The government was reluctant to privatize agricultural land, along with other sectors of the economy, primarily in fear of private sector opposition rather than perceiving a national threat coming from potential foreign acquisition of land (Nodia, 1996). Gamsakhurdia was deposed in the beginning of 1992 before adopting any specific policies on selling land to foreigners. Shortly after the coup, Eduard Shevardnadze became the new leader of Georgia and was more concerned with the consolidation of power in the first years of his rule than with creating a regulatory framework of land ownership (Sabanadze, 2010).

Until the adoption of Resolution #48 by the Cabinet of Ministers in 1992, Georgian legislation regarded forcefully-collectivized agricultural land as state or common property (Lerman and Shagaidia, 2007) and possession of land by domestic persons and legal entities was permitted only for temporary use without granting ownership (Cemovich, 2001). Other ministerial decrees issued in 1992–1993 regulated various aspects of land ownership in the country. They primarily intended to ease an extremely severe economic crisis via means such as granting urban residents land parcels in rural areas in order to engage in subsistence agriculture, but also restricting the right of foreign citizens to own agricultural land (Cabinet of Ministers of the Republic of Georgia, 1992). Although nationalist

sentiments were receding “in the mid-1990s”, it was still believed that a liberal land ownership regime would gradually allow neighboring countries to increase their leverage on Georgia by creating ‘the fifth column’ of ethnically non-Georgians, who would be able to affect the country’s political processes (Khmaldze, 2011). The actual Law of Georgia on Agricultural Land Ownership was adopted in 1996. Article 5 of the Law stated that agricultural land can be owned only by Georgian citizens, while foreign citizens or individuals without citizenship can lease land in the country (Parliament of Georgia, 1996).

2.2. Liberalizing foreign land ownership

By the beginning of the 2000s some factors shaping perceptions of a threat from minorities and foreigners evolved. A significant share of non-Georgian ethnicities had already left the country, followed by waves of emigration of ethnic Georgians, which resulted in a significant decline in the size of the population in the country from 5.4 to 4.4 million and an increase in the proportion of Georgians in the total population from 70.1% to 83.8% (State Department of Statistics of Georgia, 2003). The constitutional amendments and the changes in the law which followed the so-called “Rose Revolution” allowed the third Georgian president, Mikheil Saakashvili, to grant dual citizenship to foreign nationals who had made a particular contribution to Georgia or when the granting of citizenship to such a person was in the interests of the State (Parliament of Georgia, 2004). The change in policy had dramatic consequences on the number of dual citizens in Georgia, which reached more than 36,000 individuals by 2011 (Gugushvili, 2012). The acquisition of dual Georgian citizenship became a fast and efficient shortcut for those who intended to buy and own land in the country. In parallel, the government of Saakashvili, with its agricultural development strategy, facilitated certain groups of foreign farmers such as the Afrikaners from South Africa to purchase prime land in Georgia in exchange for bringing with them their expertise and knowledge of modern farming methods (Prasad, 2012). Although the total number of such farmers who have settled in Georgia is not known, a good illustration of their presence is Sartichala village in Kvemo Kartli, where most of the formerly state-owned agricultural land was cultivated by Afrikaner settlers with dual Georgian citizenship (Livny, 2013).

The ease of acquisition of Georgian nationality and the simple procedures to establish legal status in the country, both of which allowed for the unhindered ownership of agricultural land, still left barriers for foreign citizens who wished to purchase land in Georgia. The full liberalization of land ownership regime was triggered in 2011 by a Danish national, Heike Cronqvist, who filed a complaint to the Constitutional Court of Georgia. The claimant pointed out that the regulation, which obliged a foreign citizen to transfer the rights to the inherited agricultural land within six months was a restriction of property rights equating to seizure of property (Constitutional Court of Georgia, 2011). In less than a year, the Constitutional Court ruled that the disputed norm was disproportional, going beyond the limits of permissible restriction of the right held under Article 21 of the Constitution of Georgia, and annulled the contested article of the law. As a result, foreigners acquired the full right to buy and own agricultural land in the country (Constitutional Court of Georgia, 2012). These changes did not generate visible social or political debates or confrontations until early 2013, or arguably these were previously repressed through police force and local authorities (Livny and Gelashvili, 2015).

2.3. The Georgian Dream of foreign land ownership

The victory of the Georgian Dream Coalition in the 2012 parliamentary elections marked the first democratic transfer of power

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