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EUROPEAN CENTRE  
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MINORITY ISSUES

## **South African Boers in Georgia?**

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ECMI WORKING PAPER #55  
January 2012



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**ECMI Working Paper**  
**European Centre for Minority Issues (ECMI)**  
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# South African Boers in Georgia?

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*In August 2010, The Georgian government announced an unexpected, radical, and quite controversial proposal; to invite some of South Africa's 40,000 Boer farmers to purchase prime land in the country in exchange for bringing their expertise and knowledge of modern farming methods. In September 2010, the Georgian State Minister for Diaspora Affairs, Mr. Papuna Davitaia, welcomed a delegation of South African farmers to Georgia and offered them a number of guarantees if they decided to move. Further such "fact-finding missions" took place in January and February, 2011.*

Conor Prasad, January 2012  
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## I. INTRODUCTION

It is estimated that Georgia currently imports up to 70 percent of its food, with farming methods in many regions having remained unchanged for many decades<sup>1</sup>. Although a large wine producer, Georgian wines have not broken into the European market, while exports of Georgian wine to Russia were stopped a number of years ago due to increasing hostilities between the two countries. The Georgian government hopes that this scheme of importing farming expertise from South Africa will give both the agricultural and wine sectors in Georgia a vital boost.

The Boer farmers themselves have expressed considerable interest in the proposal. They cite issues such as labour costs, land reform policies and the high threat of violence that they face in South Africa as main reasons for their willingness to leave their homeland and start their lives again in the Caucasus region. One Boer farmer, Hendrik Mills, says "I think there are great prospects for farmers out there. It would be much better to invest money in Georgia than in Africa."<sup>2</sup>

However the proposal has also been met with considerable opposition within Georgia and from

certain groups in South Africa. Some Georgian opposition politicians claim that the new arrivals will be sold the best land at knock-down prices while Georgian farmers are being neglected. Some Georgian farmers themselves say they fear being pushed off their own land by the scheme. Media reports of 1000s<sup>3</sup> of thousands of Boer farmers potentially moving from South Africa to farm in Georgia have only fanned these concerns. Meanwhile, unease has been expressed in South Africa at the idea of letting some of the country's best farmers leave.

This issue brief will examine the scheme in-depth and outline what has taken place thus far. It will examine the Georgian government's aims and methods, how it plans to carry the scheme out and how it will fit into the Ministry of Agriculture's broader plans for agricultural reform and rural development. It will look at both the potential benefits and risks of the scheme, taking into account the views and experiences of both Georgian local farmers and South African Boers who are considering moving, or have already moved, to Georgia.

## II. BOERS IN GEORGIA

Once an agricultural powerhouse of the Soviet Union, Georgia now farms less than 50 percent of its arable land. More than half the workforce is in agriculture, yet farming is responsible for less than 10 percent of

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<sup>1</sup> Summary of Analysis of visit September 29 – October 6, 2010, link: <http://boers.ge/index-7.html#TAUSA>

<sup>2</sup> Boer farmers head for new home in Georgia," The Independent, 9 November 2010, <http://www.independent.co.uk/news/world/europe/boer-farmers-head-for-new-home-in-georgia-2128794.html>

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<sup>3</sup> Some reported that up to 40,000 may come



Georgia's Gross Domestic Product (GDP).<sup>4</sup> As recently as the third quarter of 2010 the agricultural sector suffered a further contraction of 1.8 percent, contributing only 8 percent of the country's GDP, as compared with 9 percent in the first half of 2010.<sup>5</sup> Since 2005, agricultural activities, regardless of their huge potential, have dropped by 20 percent, with the total sown area reduced by 43 percent.<sup>6</sup> There has also been a dramatic decline in average production per hectare. The average yield of maize in Georgia is 1.5 tonnes per hectare. This is compared with 8 tonnes per hectare in South Africa.<sup>7</sup> The decline in the dairy sector has also been dramatic; in 1990 the country had more than 4 million cattle; now there are only 1.7 million cows pasturing in Georgian meadows.<sup>8</sup> There is also only one third the number of pigs in Georgia today as compared with 1990 numbers.<sup>9</sup>

This decline in production has left Georgia heavily dependent on external imports to maintain food security. Juan José Echanove, Project Manager for Agriculture, Rural Development and Food Safety at the European Union's Delegation to Georgia, characterises agriculture in Georgia as a 'disaster,' estimating, for example, that up to 85 percent of all wheat consumed in Georgia is imported, mainly from the Ukraine across the Black Sea.<sup>10</sup> Echanove points out that such dependence on external sources for even such basic foodstuffs could potentially impact on

Georgia's national security, particularly in the event of another war with Russia.<sup>11</sup>

There is broad consensus that Georgian agriculture operates in subsistence mode. As a result of how Soviet collective farms were disbanded and divided after the collapse of the Soviet Union, the majority of Georgian farmers own small land-plots and work primarily to support their families. The average size of an individual farm in Georgia is 0.96 hectares and only 5 percent of farms are larger than 2 hectares.<sup>12</sup> Their work is not organised in any way, meaning that they cannot enjoy the benefits that economies of scale could offer, and also depriving them of proper access to the national market.<sup>13</sup>

Moreover, Konstantine Kobakhidze, head of the Department for Rural Development at the Ministry of Agriculture, states that local Georgian farmers utilise, at most, 50 percent of their land and do not have the "opportunity, ability or willingness to expand

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<sup>4</sup> "Georgia's not-so-big society", *The Economist*, 13 April 2011, [http://www.economist.com/blogs/easternapproaches/2011/04/social\\_capital\\_georgia](http://www.economist.com/blogs/easternapproaches/2011/04/social_capital_georgia)

<sup>5</sup> Ibid.

<sup>6</sup> "Agriculture in Georgia: Lessons from Europe", *The Messenger Online*, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)

<sup>7</sup> ECMI Phone Interview with Bennie Van Zyl, Director of the Transvaal Agricultural Union of South Africa (TAU SA), April 2010. Also see: "Agriculture in Georgia: Lessons from Europe", *The Messenger Online*, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)

<sup>8</sup> "Agriculture in Georgia: Lessons from Europe", *The Messenger Online*, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)

<sup>9</sup> ECMI Phone Interview with Per Eklund, former Head of the EU Delegation to Georgia, May 2011.

<sup>10</sup> ECMI Interview with Juan José Echanove, Project Manager for Agriculture, Rural Development and Food Safety at the Delegation of the European Union to Georgia, Tbilisi, May 2011. 85 percent would be the highest value in Europe.

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<sup>11</sup> Echanove believes that Russia could quite easily block Georgia's import routes across the Black Sea, for example. To further highlight the importance of food security, it is worth noting that food security, or lack thereof, epitomised by rapidly rising prices for basic products, such as bread, is considered one of the principle sparks that triggered the recent wave of anti-government protests across the Arab world. See for example: "Food Security: Bread and Freedom," *The Guardian Online*, 1 February 2011.

Available at:

<http://www.guardian.co.uk/commentisfree/2011/feb/01/food-security-bread-freedom-editorial>; also "Egypt seeks wheat as drought slashes Russian crop," *Reuters Africa*, 31 July 2010. Available at:

<http://af.reuters.com/article/investingNews/idAFJJOE66U03X20100731?pageNumber=2&virtualBrandChannel=0>

<sup>12</sup> "Farm output, non-farm income and commercialization in rural Georgia", Ido Kan et al., *Electronic Journal of Agricultural and Development Economics*, Vol. 3, No. 2, 2006, pp. 276–286, Available online at:

[www.fao.org/es/esa/eJADE](http://www.fao.org/es/esa/eJADE). However, according to former Head of the EU Delegation to Georgia, Per Eklund, small-scale farming is also the norm in EU member states. He says that most farm plots in the EU are family owned and rather small with almost 70 percent of agricultural lands comprising less than 5 hectares. Nevertheless, Europe hosts one of the most sophisticated agricultural industries in the world. See: "Agriculture in Georgia: Lessons from Europe", *The Messenger Online*, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)

<sup>13</sup> "Agriculture in Georgia: Lessons from Europe", *The Messenger Online*, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)



their business.”<sup>14</sup> Per Eklund, former Head of the EU Delegation to Georgia, states that many Georgian farmers are conservative, hesitant and afraid of the unknown. The deepest pockets of poverty in Georgia, he says, are in rural areas.<sup>15</sup> In explaining this situation, emphasis is often placed on the lingering effect of the Soviet period which, it is said, stifled entrepreneurialism, particularly in the agricultural sector.

It is also true that even those farmers who want to develop their farms often lack capital and support from the Georgian Government. Until recently, the Georgian government has not focused on development of the agricultural sector and the Ministry of Agriculture has lacked adequate funding. Government spending on agriculture comprised only 0.7 percent of the state budget in 2010 while 2011 has seen a slight improvement at 1.2 percent.<sup>16</sup> Juan José Echanove characterises the government’s approach to agricultural development up to now as having been “ad hoc and lacking strategy”.<sup>17</sup> President Saakashvili himself says that much time has been lost because the government previously believed that the agricultural sector “would develop by itself.”<sup>18</sup> In his annual address to the Georgian Parliament in February 2011, he said that the government would allocate an additional GEL 150 million (approximately EUR 63 million) to improve the currently “very unsatisfactory situation” in agriculture.<sup>19</sup> In this context, South African farmers are seen as an urgently needed team of experts who could help ‘kick start’ Georgian agriculture.<sup>20</sup>

The Office of the State Minister for Diaspora Affairs, rather than the Ministry of Agriculture, has taken the lead on the project. This is explained by the fact that the Ministry for Diaspora Affairs has close links with ethnic Georgians living all over the world, including in South Africa.<sup>21</sup> State Minister for Diaspora Affairs, Papuna Davitaya, explains his country’s interest in the project arguing that “historically Georgia has always been an agricultural country. But during the Soviet era [Georgia] lost this tradition and [we] would now like to win it back.”<sup>22</sup>

Davitaya states that Boer farmers are amongst the best farmers in the world: “We are talking about successful [] farmers. They can provide many employment opportunities and create [a] rather large segment of economics that will enhance our budget. These people are seeking ways of diversifying their business. They are seeking ways to approach the European and Asian market and it would be good if they could transfer their agriculture to Georgia.”<sup>23</sup> Konstantine Kobakhidze, emphasises this point: “The most important thing is that [South African farmers] have access to markets in Europe and the United States. Moreover, they say that if local farmers cooperate with them, they will help them sell their products abroad.”<sup>24</sup> This would be mutually beneficial. For example, if the South African farmers produce 1000 tonnes of a given product, they can consolidate this with another 1000 tonnes from local Georgian farmers, meaning that they can guarantee the buyer a consistent supply of produce.<sup>25</sup>

In August 2010, the Georgian government and the TAU SA signed a Memorandum of Understanding in which they agreed to advance cooperation and to develop joint efforts aimed at sharing experience of agricultural practices in South Africa.<sup>26</sup> Van Zyl stated

<sup>14</sup> ECMI Interview with Konstantine Kobakhidze, Head of the Department for Rural Development, Ministry of Agriculture, Tbilisi, April 2011.

<sup>15</sup> ECMI Phone Interview with Per Eklund, former Head of the EU Delegation to Georgia, May 2011.

<sup>16</sup> Interview with Juan José Echanove, Project Manager for Rural Development and Food Safety at the Delegation of the European Union to Georgia, Tbilisi, May 2011.

<sup>17</sup> Ibid.

<sup>18</sup> “Saakashvili Calls for ‘Active State Involvement’ to Boost Agriculture”, Civil Georgia, 8 March 2011, <http://www.civil.ge/eng/article.php?id=23214>

<sup>19</sup> Ibid.

<sup>20</sup> The Georgian government has emphasised that its ‘Boer project’ is part of a broader government aim to attract foreign investment in the country. For example, Konstantine Kobakhidze emphasised that the country is “open for everybody that is willing to participate in agricultural development in Georgia.” He stated that there are similar investors from Iran, India, Qatar and Saudi Arabia. Similarly Beka Maruashvili, head of the project at the Office of the State Minister for Diaspora Affairs, stated

that there are similar schemes in the tourist industry along the Black Sea coast. Nevertheless it is for the Boers that the government has created a specific project.

<sup>21</sup> ECMI Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, Tbilisi, May 2011.

<sup>22</sup> “Georgian Government Promised 80 000 Hectare Land to Boers”, Humanrights.ge, 26 January 2011, <http://www.humanrights.ge/index.php?a=text&pid=12846&lang=eng>

<sup>23</sup> Ibid.

<sup>24</sup> ECMI Interview with Konstantine Kobakhidze, Head of the Department for Rural Development, Ministry of Agriculture, Tbilisi, April 2011.

<sup>25</sup> Ibid.

<sup>26</sup> “TAU SA to assist Georgia in commercial farming,” MSN News, 20 August 2010, <http://news.za.msn.com/article.aspx?cp->



that the Georgian government initially approached him: “Georgia wanted us to help them by sharing our expertise in the farming sector so that they could produce food on a commercial and sustainable basis,” he said.<sup>27</sup>

A jointly-run organisation called “Nico the Boer”<sup>28</sup> was then set up with the aim of finding South African investors. The Georgian government has also launched a website ([www.boers.ge](http://www.boers.ge)) for potential buyers from South Africa, offering geographical and cultural information about Georgia. The site emphasises the stable security situation in Georgia and the efficiency of the police force, as well as government successes in combating corruption. Approximately 90 Boer farmers have come to Georgia on three “fact-finding” missions. The first took place last year, from 29 September to 6 October 2010, with a further two groups following early this year, one from 24 to 29 January, and the other from 7 to 11 February 2011.

Following the first mission an analysis report was written outlining the group’s impressions of Georgia, Georgian agriculture and the possibilities and challenges for South African farmers who decide to move. While the report clearly states the group’s view that agriculture in Georgia is “not effective at all,” it is otherwise very positive about the potential opportunities for foreign investors. It says that the Georgian government went out of its way to create opportunities for the TAU SA tour group to allow “maximum exposure to their country.” It concludes that corruption and crime have “largely been eliminated.”<sup>29</sup>

Bennie Van Zyl, head of the Transvaal Agricultural Union of South Africa (TAU SA), emphasises the open-minded and positive attitude towards farming of the Georgian government as an

important factor for South African farmers.<sup>30</sup> He contrasts this with the situation facing Boer farmers in South Africa where, on average, two Boer farmers are murdered every week. Since 1994 over 3,000 have been killed in what have become known as *plaasmoorde*, farm killings.<sup>31</sup> This makes farming among the most dangerous jobs in the country. Two officials from the Georgian government who recently visited South Africa said the security situation for farmers was very bad there, with electric fences protecting farms and some farmers unable to leave their houses after 6pm.<sup>32</sup>

Van Zyl also says the South African government, under President Jacob Zuma<sup>33</sup>, is neither business-friendly nor transparent, and emphasises that there is a climate of uncertainty facing Boer farmers in South Africa. South African government land reform policies have led some to fear they will be forced them to sell their farms there at less than market value. Van Zyl points to proposed expropriation of farmland and increasing rights for farm labourers. “The government can come to you and tell you, this is what we are willing to pay for your farm and you have to sell,” explained Johan Swart, while visiting Georgia on a fact-finding mission. “You can lose everything.”<sup>34</sup> Besides economic and security considerations, it seems there is also an emotional factor. As writes Eve Fairbanks: “As a result of South Africa’s history, there is a general social understanding that commercial farmers, although [] a necessary evil, are leading a lifestyle that is at least latently exploitative.”<sup>35</sup>

However, the Georgian government says it does not expect a big flow of Boers to Georgia, stating

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documentid=154451700. Memorandum of Understanding available at: [boers.ge](http://boers.ge)

<sup>27</sup> ECMI Phone Interview with Bennie Van Zyl, Director of the Transvaal Agricultural Union of South Africa (TAU SA), April 2010.

<sup>28</sup> This organisation is named after Niko Bagrationi, a Georgian nobleman who fought in South Africa as a volunteer in the Boer army during the Second Boer War (1899-1902). He was also known as Niko the Boer in Georgia. He is given, by both the Georgian government and the Boers of South Africa, as an example of the long tradition of cooperation between the two countries.

<sup>29</sup> Summary of analysis of visit September 29 – October 6, 2010, available at: <http://boers.ge/index-7.html#TAUSA>

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<sup>30</sup> ECMI Phone Interview with Bennie Van Zyl, Head of Transvaal Agricultural Union of South Africa (TAU SA), April 2011.

<sup>31</sup> “White farmers ‘being wiped out’”, *The Times*, 28 March 2010, <http://www.timesonline.co.uk/tol/news/world/africa/article7078730.ece>

<sup>32</sup> ECMI Interview, Ministry of Agriculture, Tbilisi, April 2011.

<sup>33</sup> President Zuma has been embroiled in several charges of corruption. For his profile, see: “Profile: South Africa’s President, Jacob Zuma,” available at: <http://news.bbc.co.uk/2/hi/africa/4615019.stm>

<sup>34</sup> “Following South African farmers to Georgia”, *BBC News*, 28 February 2011, [http://www.bbc.co.uk/worldservice/worldagenda/2011/02/110228\\_worldagenda\\_georgia\\_farmers.shtml](http://www.bbc.co.uk/worldservice/worldagenda/2011/02/110228_worldagenda_georgia_farmers.shtml)

<sup>35</sup> “Georgia – and Congo – on South African Farmers’ Minds,” *Mail & Guardian Online*, 24 June 2011, <http://mg.co.za/article/2011-06-24-georgia--and-congo-on-south-african-farmers-minds/>



that 15 to 20 would be very good, with the possibility of more following later. Head of the project, Juba Maruashvili estimates some 100 in total and says he never expected more than this.<sup>36</sup> There are several possible reasons for this. Sources familiar with the South African tours say that some visiting South Africans have stopped short of purchasing land as they wait for the government to clear the property rights; a recurring problem for land investments in Georgia.<sup>37</sup> Following the tours, some Boers also expressed concern at the size of land plots on offer. South Africans regularly farm on thousands of hectares while in Georgia, a few hundred hectares is a 'mammoth farm.' "[For] us, these are sub-economic units," stated one Boer, Frans Venter. On surveying the Georgian countryside Venter went on to say that to quilt together a plot big enough to farm, "you'd have to work something out with the villagers" who own bits and pieces of land.<sup>38</sup>

However, the government emphasises that only land that is not currently in use, that is undeveloped and has been in state ownership for a number of years would be sold to such foreign investors.<sup>39</sup> This comprises approximately 30 percent of the total agricultural land in Georgia.<sup>40</sup> However, the situation is more complex than this. A lot of government land was rented out to Georgian farmers in 1991 on a 20 year lease. This is due to expire in June 2011. Farmers who have been renting and working on this land can buy it out from the government at a reduced price. However to do this they must approach their local government before the lease expires. After that the land may be sold to foreign investors.<sup>41</sup>

Land will be sold at auctions at which anyone may participate. Starting land prices for various regions of Georgia were defined by the prime minister on 13 January 2011. The cheapest land is in mountain areas and its initial price is 300 GEL per hectare (approximately EUR 125)<sup>42</sup> with prime agricultural land at 700-1000 GEL per hectare (approximately EUR 300-400). At auction it could sell for "two or three times as much."<sup>43</sup> Five Boer farmers have already moved to Georgia and purchased land in Sartichala, near Tbilisi, and in Kakheti.<sup>44</sup> Land purchased thus far ranges from 500 hectares up to 750 hectares. Some Boers have gone into partnership with Georgian commercial farmers. Others may choose to purchase land in Georgia but continue to live in South Africa and manage their business from there.

Maruashvili says that no legislative changes have been made to facilitate the project and that no preferential treatment will be afforded Boer farmers as compared with other foreign investors or Georgian farmers.<sup>45</sup> Although under Georgian law foreign citizens are not allowed to buy land in Georgia, the government is exploiting a legislative loophole which allows foreign citizens to set up a business in Georgia and register it in their name. The land which is the property of this business then belongs to them. If the investment proposal is quite large and will employ a lot of local people the government says it is also

<sup>36</sup> ECMI Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, Tbilisi, May 2011.

<sup>37</sup> "Georgia: Betting on Boers for an Agricultural Comeback," Eurasianet.org, 9 June 2011, <http://www.eurasianet.org/node/63647>

<sup>38</sup> "Georgia – and Congo – on South African Farmers' Minds," Mail & Guardian Online, 24 June 2011, <http://mg.co.za/article/2011-06-24-georgia--and-congo-on-south-african-farmers-minds/>

<sup>39</sup> ECMI Interview with Konstantine Kobakhidze, Head of the Department for Rural Development, Ministry of Agriculture, Tbilisi, April 2011.

<sup>40</sup> ECMI Interview with Juan Jose Echanove, Project Manager for Rural Development and Food Safety at the Delegation of the European Union to Georgia, Tbilisi, May 2011.

<sup>41</sup> ECMI Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, Tbilisi, May 2011.

<sup>42</sup> Some media sources have stated that the cheapest land will be sold for as little as USD 40 (approximately EUR 28) per hectare. See for example: "South African Farmers Looking to Bet on Georgia," Investor.ge, Issue 6, December-January 2010-2011. Available at: [http://www.investor.ge/issues/2010\\_6/12.htm](http://www.investor.ge/issues/2010_6/12.htm)

<sup>43</sup> ECMI Interview with Konstantine Kobakhidze, Head of the Department for Rural Development, Ministry of Agriculture, Tbilisi, April 2011; however, a BBC report claims that the government is prepared to reduce the price for land if the South African farmers create jobs in Georgia. See:

[http://www.bbc.co.uk/worldservice/worldagenda/2011/02/110228\\_worldagenda\\_georgia\\_farmers.shtml](http://www.bbc.co.uk/worldservice/worldagenda/2011/02/110228_worldagenda_georgia_farmers.shtml)

<sup>44</sup> ECMI Phone Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, July 2011.

<sup>45</sup> This point is somewhat controversial. Some skeptical analysts have argued that if the Georgian government provides the Boers with the same conditions as the local rural population, the successful Boer agricultural experience will be useless here (in Georgia). See for example: "Waiting for Boers," The Messenger Online, 17 November 2010, [http://www.messenger.com.ge/issues/2237\\_november\\_17\\_2010/2237\\_edit.html](http://www.messenger.com.ge/issues/2237_november_17_2010/2237_edit.html).



willing to grant them Georgian citizenship.<sup>46</sup> To date, all five Boers who have purchased land in Georgia have obtained Georgian citizenship.<sup>47</sup>

The Georgian government insists that the primary incentive it is offering foreign investors is the opportunity to buy agricultural land in Georgia and to have full ownership of that land.<sup>48</sup> It denies that it is offering Boers special conditions, such as tax rates, or other specific incentives or help. It says it will be up to the Boer farmers themselves to work and develop their new land. The farmers will, however, be able to take advantage of Georgia's business-friendly reforms<sup>49</sup>, which include paying no VAT, no profit tax and no import duties on farming equipment.<sup>50</sup> The government is also willing to offer so-called 'investment stimulation.' If a Boer farmer agrees to spend, for example, 10 million dollars on his land in the first two years, the government will supply facilities such as roads, electricity, water and gas.<sup>51</sup>

### III. OPINIONS AND CHALLENGES

Initial media reports stated that 1000s of Boer farmers may move to Georgia in what would be an extraordinary migration. An opposition Labour Party spokesperson says he had heard that up to 40,000

farmers may arrive.<sup>52</sup> The Georgian Labour Party was strongly opposed to such large numbers coming stating that the ethnic and political situation is fragile in Georgia and such large numbers of immigrants had the potential to destabilise an already volatile situation. However, as discussed earlier, these figures now appear to be vastly higher than reality as it seems unlikely that more than 100 will come, and the number may even be significantly lower than this. Explaining this change, it believes that the Georgian government did have plans to bring very large number to Georgia but that strong negative public reaction led them to downscale their plans.<sup>53</sup> The government, on the other hand, blames irresponsible journalism saying that such large figures were never realistic.<sup>54</sup> The Labour Party agreed that a smaller number, such as this, would not have a negative effect and may indeed be positive for Georgian agriculture.<sup>55</sup>

The Georgian government says that commercial farmers appreciate the presence of foreign investors very much as they realise that they will bring with them modern management practices and technology.<sup>56</sup> Apparently some such farmers have offered, either to sell their land to Boer farmers completely, or else to invite them to invest in their land and coproduce with them in a shareholding business. However, as discussed earlier, commercial farmers make up only a small proportion of Georgian agriculture; 5 percent according to some estimates.<sup>57</sup> It argues that it is small scale farmers who do not understand the potential benefit that foreign investors may bring. The government agrees that they must communicate with these farmers through local government structures, to explain that foreign investors

<sup>46</sup> According to Chapter 2, Paragraph 12 of the Consitution of Georgia, citizenship may be granted by the President of Georgia to a citizen of a foreign country who has special merit for Georgia and where its granting is in Georgia's interests. The Consitution of Georgia is available online at: [http://www.parliament.ge/index.php?lang\\_id=ENG&sec\\_id=68](http://www.parliament.ge/index.php?lang_id=ENG&sec_id=68)

<sup>47</sup> ECMI Phone interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, July 2011.

<sup>48</sup> Ibid.

<sup>49</sup> The World Bank's 2011 *Doing Business Report* ranked Georgia 12<sup>th</sup> out of 183 countries for ease of doing business and praised it for introducing a number of pro-business reforms. The full report is available at:

[www.doingbusiness.org/~/\\_/doing%20business/...reports/.../db11-fullreport.pdf](http://www.doingbusiness.org/~/_/doing%20business/...reports/.../db11-fullreport.pdf); see also: "Georgia tops business reform list," *BBC News*, 6 September 2006, <http://news.bbc.co.uk/2/hi/business/5313146.stm>

<sup>50</sup> "South African Farmers Looking to Bet on Georgia," *Investor.ge*, Issue 6, December-January 2010-2011, [http://www.investor.ge/issues/2010\\_6/12.htm](http://www.investor.ge/issues/2010_6/12.htm)

<sup>51</sup> ECMI Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, Tbilisi, May 2011.

<sup>52</sup> ECMI Interview with Josef Shatberashvili and Georgi Gugava, General Secretary and Political Secretary respectively, Labour Party of Georgia, Tbilisi, April 2011. This may be due to confusion between the total number of Boer farmers in South Africa (approximately 40,000) and the numbers who may actually decide to move to Georgia.  
<sup>53</sup> Ibid.

<sup>54</sup> ECMI Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, Tbilisi, May 2011.

<sup>55</sup> ECMI Interview with Josef Shatberashvili and Georgi Gugava, General Secretary and Political Secretary respectively of the Labour Party of Georgia, Tbilisi, April 2011.

<sup>56</sup> ECMI Interview with Konstantine Kobakhidze, Head of the Department for Rural Development, Ministry of Agriculture, Tbilisi, April 2011

<sup>57</sup> ECMI Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, Tbilisi, May 2011.





are very important for Georgian agriculture, not only because of the capital they will bring, but also in terms of management, experience and market access. To this end, the government says it plans to put an agronomist in each municipality who will explain to local farmers that knowledgeable and experienced farmers will “bring them benefit and not take something from them.”<sup>58</sup>

However many such small-scale farmers remain suspicious about both the government’s aims and methods. One farmer, Aleks Tsintsadze says “if the government gives us land under lease, an opportunity to work and preferential loans, we can work as well. We are going to create a collective brigade and a cooperative. All this needs a lot of money and if the government gives us loans and stands by us what do we need Boers for?! What is their advantage?! We love our country and would love to work.”<sup>59</sup> These feelings are echoed by many small-scale Georgian farmers.

A recent incident in the village of Zeghduleti, near Gori, also sets a worrying precedent for how land privatisation could potentially take place. In this case, 100 hectares of land, which was being used by farmers in the village as common pasture for their some 600 cattle, was sold to an ‘Indian investor.’ Representatives from the village say the land has been used by the village’s farmers for generations, yet they only found out it had been sold when they were told they were no longer allowed to graze their cattle there. They say that they were never even told that it was for sale. Moreover, they say workers from other villages were employed to work on the land rather than the residents of Zeghduleti themselves.<sup>60</sup>

On 15 April, the foreign investor began work on the 100 hectares. The villagers attempted to stop him doing this. Police broke up the protest and, according to local villagers, “beat several demonstrators.”<sup>61</sup> They were then arrested and brought to Gori police station where they were fined 400 GEL (approximately EUR 170). The charges and the fine were later dropped but they were told not to

demonstrate further and to keep quiet.<sup>62</sup> Nevertheless they insist that they need this pasture land as they have nowhere else to keep their cattle. While, initially they were told that 25 hectares would be retained for their use, this, they say, is now also being prepared for cultivation by the Indian investor. They say the government suggested either slaughtering the cattle or using pasture land belonging to another village. But this is far away, say the villagers, and already in use by that village. This could thus also become a point of conflict between neighbouring villages.

Moreover, such a situation does not bode well for the hoped-for close cooperation between foreign investors and local farmers. It is unlikely that they will learn from them when they perceive that their land has been taken unfairly. Rather, it would seem more likely to sow resentment and division, with local farmers who, unable to develop, continue to live in poverty while beside them a large productive farm is developed. As Per Eklund, former Head of the EU Delegation to Georgia, writes: “Promoting big agricultural estates at the expense of small farming would create enormous social problems since this might cause a dramatic increase in unemployment and poverty.”<sup>63</sup>

In contrast, Eklund cites an EU project in Akhalkalaki where farmers in a mountainous area formed a cooperative.<sup>64</sup> A cooperative may be defined as a “business organisation owned and run by a group of individuals for their mutual benefit,”<sup>65</sup> The farmers were provided with machinery which they could rent and the opportunity to get advice where needed. The cooperative allowed a platform for them to work together and consolidate their small individual plots to help them overcome the ‘curse of smallness.’ In addition the farmers were introduced to new seeds and an insemination programme for the village’s cattle, which resulted in bigger and healthier calves. On visiting the project in the spring of 2010, Eklund says he was very impressed with how the cooperative was working a year after it had been set up. Although the farmers were initially hesitant about some of the new

<sup>58</sup> ECMI Interview with Konstantine Kobakhidze, Head of the Department for Rural Development, Ministry of Agriculture, Tbilisi, April 2011.

<sup>59</sup> “Georgian government promised 80,000 Hectares of Land to Boers”, Web Portal on Human Rights in Georgia, 26 January 2011, <http://www.humanrights.ge/index.php?a=text&pid=12846&lang=eng>.

<sup>60</sup> ECMI Focus Group with Zeghduleti farmers and villagers, Zeghduleti, April 2011.

<sup>61</sup> Ibid.

<sup>62</sup> Ibid.

<sup>63</sup> “Agriculture in Georgia: Lessons from Europe”, The Messenger Online, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)

<sup>64</sup> ECMI Phone Interview with Per Eklund, former Head of the EU Delegation to Georgia, May 2011.

<sup>65</sup> “Agriculture in Georgia: Lessons from Europe”, The Messenger Online, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)



methods, particularly the insemination programme, they later said they were very happy with the results and commented that if they had started such things ten years ago they would be “rich by now.”<sup>66</sup>

Yet such collaboration, like cooperatives, is deterred by Georgian legislation; cooperatives are taxed twice, first as businesses, and then as individual income.<sup>67</sup> A recent report by the Caucasus Research Resource Centre (CRRC) also argues that Georgia still has low levels of ‘bridging social capital’ which might facilitate systematic co-operation between relative strangers. Less than five percent of the population engages in associations or other formalised civic activity and there are few membership-based associations in the country so far.<sup>68</sup> The Economist argues that continued distrust and disillusionment with public action is pervasive in Georgia.

How Boer immigrants will adapt to life in Georgia and integrate into society also remains one of the principle challenges of the scheme. Head of the project at the State Ministry for Diaspora Affairs, Maruashvili, however, does not foresee problems with the integration of Boer farmers into Georgian society.<sup>69</sup> He argues that Georgia has always been a multi-ethnic and pluralist society that is very used to accommodating different peoples. Moreover, he sees many similarities between Boer and Georgian culture and no major obstacles to their integration. The Ministry of Agriculture states that most Boers want to send their children to local schools and want them to continue to higher education in Georgia. Many also want to learn Georgian themselves. Indeed, the TAU SA believes that the main challenge such farmers will face is the language barrier.<sup>70</sup> In this the Ministry of Education will help them by providing Georgian speaking classes and other support structures.<sup>71</sup> As one Boer, Piet Kemp, puts it: “If I am going [to Georgia], I

will be a Georgian. I don’t want to make a new South Africa.”<sup>72</sup>

Piet Kemp<sup>73</sup>, a native of the north-eastern South African province of Mpumalanga, moved to Georgia in March of this year, the first Boer to do so. He is now farming some 750 hectares of land in the southern Georgian province of Kvemo Kartli. He has formed a partnership with a local Georgian farmer, rented a house in the village of Sartichala,<sup>74</sup> and, as part of the government scheme, received a Georgian passport. Kemp’s hopes are high for his new life in Georgia: “At home [in South Africa], I sat on the porch with a gun and a radio [walkie-talkie], so in case someone attacks, all the neighbours drive down,” he recounts. “Here, I just go about my business. No need for guns or anything. Everyone is friendly.”<sup>75</sup> Kemp says he is making a particular effort to integrate into Georgian society. He has begun studying the Georgian language and is even considering becoming Georgian Orthodox. He is also building relationships with local villagers; joking with them, through a translator, as well as sharing tips on how to plant seeds deeper and more efficiently and how to get better results from machinery when planting and harvesting. He himself hopes to produce some 2,000 tons of wheat and 3,000 tons of corn this year, despite some difficulties with the weather.<sup>76</sup> Drawing on his experience with South African land disputes, however, he remains cautious. Although he has his eye on a plot of nearby land, he says he will not attempt to buy it until he is sure that locals are not using it. There are also several more Boers currently looking for land in Georgia.

#### IV. CONCLUSION AND RECOMMENDATIONS

It is a positive development that the Georgian government is increasingly prioritising the development of Georgian agriculture, a sector which has been neglected for decades. The government has realised that much time has been lost and admitted

<sup>66</sup> ECMI Phone Interview with Per Eklund, former Head of the EU Delegation to Georgia, May 2011.

<sup>67</sup> “Georgia’s not-so-big society,” *The Economist*, 13 April 2011, [http://www.economist.com/blogs/easternapproaches/2011/04/social\\_capital\\_georgia](http://www.economist.com/blogs/easternapproaches/2011/04/social_capital_georgia)

<sup>68</sup> Ibid.

<sup>69</sup> ECMI Interview with Juba Maruashvili, Head of Georgia-Boer project, Office of the State Minister for Diaspora Affairs, Tbilisi, May 2011.

<sup>70</sup> ECMI Phone Interview with Bennie Van Zyl, Director of the Transvaal Agricultural Union of South Africa (TAU SA), April 2010

<sup>71</sup> ECMI Interview with Konstantine Kobakhidze, Head of the Department for Rural Development, Ministry of Agriculture, Tbilisi, April 2011.

<sup>72</sup> “The Boers’ new trek”, *The German Times Online*, March 2011, [http://www.german-times.com/index.php?option=com\\_content&task=view&id=40511&Itemid=25](http://www.german-times.com/index.php?option=com_content&task=view&id=40511&Itemid=25)

<sup>73</sup> Piet Kemp, unfortunately refused ECMI’s request for an interview.

<sup>74</sup> Sartichala is located in the eastern Georgian province of Kakheti and is approximately 19 kilometres from Tbilisi.

<sup>75</sup> “Georgia: Betting on Boers for an Agricultural Comeback,” *Eurasianet.org*, 9 June 2011, <http://www.eurasianet.org/node/63647>

<sup>76</sup> Ibid.



that, until recently, it believed that the sector would develop by itself. In this context, it is clear that a scheme to bring foreign capital and expertise into the country has many obvious advantages. Taken as a whole, Georgian agriculture would certainly benefit from the skill and experience of Boer farmers, generally regarded as among the best in the world. It will also benefit some individual Georgian commercial farmers who are willing to work with them and learn from their experience.

What is less clear, however, is whether the scheme will benefit the vast majority of Georgian farmers who work on small-scale, subsistence farms with very little, if any, assistance from the government or elsewhere. Without a specific action-oriented programme to benefit these farmers, who make up the vast majority of Georgian farmers, and supply them with the tools and knowledge to develop their own farms and farming methods, Georgian agriculture cannot, and will not, develop to its full potential. As Per Eklund, says: “Carrying out reforms that do not address and favour small farmers will be unfair and, even worse, a mistake.”<sup>77</sup>

The Zeghduleti example demonstrates that this scheme could very well harm those that it purports to help. This, in turn, could sow increased mistrust and alienation amongst local Georgian farmers. There is thus a vital need for local-level consultation with the host communities in order to better understand the needs of small scale farmers. Furthermore, a programme aimed at fostering partnerships and knowledge transfer between foreign and local farmers should be implemented as soon as possible. If these steps are followed and such programmes sustained, the positive impact of knowledgeable and experienced South African Boer farmers in Georgia could be maximised and distributed more widely amongst Georgia’s poorer local farmers, where it is needed most.

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<sup>77</sup> “Agriculture in Georgia: Lessons from Europe”, The Messenger Online, 3 November 2010, [http://www.messenger.com.ge/issues/2227\\_november\\_3\\_2010/2227\\_eklund.html](http://www.messenger.com.ge/issues/2227_november_3_2010/2227_eklund.html)



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