

# THE GEORGIAN CHRONICLE

## MONTHLY BULLETIN

### Major events and trends in politics, economy and social life

December, 1992

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P.O.Box 4 (158), Tbilisi, 380008, Republic of Georgia  
Tel.: (8832) 314983, (8832) 347263, (8832) 375238  
Fax: (8832) 950855  
E-mail: cipdd@iphil.kheta.georgia.su

## GOVERNMENT

**Background.** On January 6, 1992, after a two-weeks fight in the center of Tbilisi, President Gamsakhurdia, accused of establishing a dictatorial regime, was deposed by armed insurgents, among whom the National Guard (commander -- Tengiz Kitovani) and a paramilitary group *Mkhedrioni* (commander -- Jaba Ioseliani) played the major role. The State power was taken first by the Military Council and later on, in April, after the former Communist leader of Georgia and the Foreign Minister of the Soviet Union -- Eduard Shevardnadze -- returned to Tbilisi, by the State Council. Its Presidium consisted of E.Shevardnadze (the Chairman), T.Kitovani, J.Ioseliani and prime minister T.Sigua, each of them with the veto power. Supporters of the ousted President fought against the new authorities through peaceful, as well as terrorist, means. Their influence was particularly strong in one of the regions of Western Georgia -- Megrelia, which, as well as the regions inhabited by separatist Abkhaz and Ossetian minorities, was beyond control of the new government. Guerilla warfare, which had started in December of the 1990 after the Georgian Supreme Council (headed by Gamsakhurdia) abolished the South Ossetian Autonomous Region, ended in July 1992, resulting from an agreement reached between Georgia and Russia, which, recognizing territorial integrity of Georgia, provided for the deployment of tripartite (Russian, Georgian and Ossetian) peace-keeping forces in that area, though the Georgian government could not in effect exercise its political control over the region. In August, however, an armed conflict broke out in Abkhazia.

On the 11th of October new Parliamentary elections were held except for those regions which were out of control. 234 deputies were to be elected by mixed proportional and majority systems; the Chairman of the Parliament was to be elected by a direct ballot, and 96% of those who took part in the elections, voted for a single candidate -- E.Shevardnadze. The seats in the Parliament were divided between 26 parties and independent candidates. The coalition *Peace*, consisting mainly of the former communist *nomenclatura*, but with some former dissidents and the Monarchist Party, got the plurality -- 29 seats, followed by the coalitions *11th of October* -- 18 seats, *Unity* -- 14, National-Democratic Party -- 12, the Greens --11, etc. The new Parliament empowered its

Chairman with the authorities of the Head of State -- head of the executive power, and the Supreme Commander of the Armed Forces. The Head of State nominates the Prime-Minister who is later elected by the Parliament, and appoints the ministers that are subject to confirmation by the Parliament. Vakhtang Gogvadze (coalition *Peace*) was elected by the Parliament as the Speaker.

Although the influence of the ex-President's supporters has considerably decreased after the elections, the government has not yet gained full control over the entire territory.

In December, the formation of the new government structures was mainly completed. The structure of the Cabinet of Ministers is similar to that of Russia. It includes the Prime Minister, five Vice-Premiers, each of them supervising a group of ministries, 19 Ministers and 10 Heads of State Committees. The offices of one Vice-Premier and the Head of the State Committee for Land Resources and Land Cadastre remained unoccupied. The nomination of the Defense Minister -- Vice-Premier for Defense Affairs was postponed due to the "complex and delicate nature of the issue", which meant that T.Kitovani, who is currently holding this office, has but little chances of getting confirmation in the Parliament, while an attempt to depose him may cause political instability inadmissible in the present situation. T.Kitovani is often accused of incompetence and contacts with the "mafia structures".

The composition of the new government (see the *Appendix*) indicates that the Head of State mainly thought to maintain a political balance, and invited at the same time a number of non-partisan professionals. Almost all more or less influential political parties received one or two offices. Academic circles are largely represented, while the number of former communist functionaries has been reduced (as compared with two previous governments, including that of Gamsakhurdia). It should be noted that a *Mkhedrioni* member Temur Khachishvili has been appointed the Minister of Internal Affairs, seemingly in an attempt to ease the tensions between the *Mkhedrioni* and the police. On the other hand, the 'team' principle has been completely neglected, which raises doubts as to the ability of the present government to pursue a policy based on common philosophy, particularly in the field of economic reforms.

On the December 3 the list of the members of the National Security and Defense Council (NSDC) was announced. It included: E.Shevardnadze (chairman), T.Sigua, J.Ioseliani, T.Kitovani (deputy chairmen), T.Khachishvili, I.Batiashvili, A.Kavsadze, A.Kamkamidze, N.Natadze, T.Ninidze. Later on Gen. G.Karkarashvili also became its member. Tedo Japaridze, acting earlier as Deputy Minister of Foreign Affairs, has been appointed an advisor to the Head of State for National Security Affairs. According to an official statement the Council mainly aims at preventing crime and establishing order in the Armed Forces. It also considers a number of other issues, though the legal basis of its activities is yet to be approved.

The Head of State has a Military Consultants' Group, headed by Gen. Leri Abashidze, who is authorized to request reports from and supervise the activity of any minister, and if necessary -- to raise the question of their personal responsibility.

On December 8, the Head of State formed a Commission for the Affairs of Pardon. On the 24th, the Parliament ruled that heads of local administrations were to be appointed by the Head of State. An Institute of the Head of State's representatives in different fields of economy is also being formed (namely, the former vice-premier on agriculture P.Koghuashvili became the Head of State's representative for the agrarian-industrial complex.

On the 23rd, a Council of the Head of State was formed, which is supposed to be a consultative body. It includes representatives of all major ethnic communities, mostly the intellectuals.

On one hand, the new structure of the government shows the formal concentration of the legislative, executive and military power in Mr. Shevardnadze's hands, but at the same time it does not necessarily imply an actual expansion of his influence. Basic armed formations -- the National Guard (now called the *Rapid Reaction Corps*) and *Mkhedrioni* -- still maintain their factual autonomy and rather strained relations with each other and the police. In the NSDC, which many observers regard as the new center of the actual power, Mr. Shevardnadze has retained the same three deputies he earlier had at the post of the Chairman of the State Council. Though they no longer enjoy the veto power, it is hard to say whether it means an actual change in the balance of forces. It seems that Mr. Shevardnadze tries to expand his influence gradually, through creating new power structures and promoting new political and military figures.

One of the NSDC's resolutions concerned the formation of a Special Deployment Unit at the Ministry of Internal Affairs; another one required all armed formations by December 25 to merge the united Armed Forces. All previously issued licenses for carrying arms were to be cancelled and new licenses were to be granted by the Ministry of Internal Affairs only. The realization of the latter is to be supervised by Gen. Abashidze and several members of the NSDC, but Mr. Kitovani and Mr. Ioseliani are not among them.

On December 8, Mr. Shevardnadze created the National Defense Foundation which is not subordinate to the Ministry of Defense (earlier a similar foundation was controlled but this Ministry). He asked one of his active supporters, writer Chabua Amirejibi, to chair its Board. The newly formed Main Office of Frontier Troops, headed by Gen. P. Giorgadze, is also completely independent of Mr. Kitovani.

In the end of December Mr. Shevardnadze (who had earlier avoided any public criticism of Mr. Kitovani) openly reproached him for not informing the Head of State about his meeting with the Russian Minister of Defense Gen. Grachev. Later the Parliament warranted the meeting.

Mr. Kitovani caused a political scandal with his interview to pro-Gamsakhurdia weekly *Iberia-Spectri*, in which he defined the December-January events as a "military coup" (stressing his personal role in it) and not a "popular uprising" (as it is usually called by the supporters of the current government), and severely criticized the Parliament for the restoration of the Communist policy and struggle against prominent figures of the national-liberation movement (like himself).

In the **Parliament** 11 factions were formed: *the Greens*, *Progress*, the Faction of Independent Uncommitted Deputies, *Borjghali*, *the Republicans*, *Revival*, *the Democrats*, *the National Democrats*, *Peace*, *the Conservatives*, *the Liberals*. The membership of each faction usually slightly exceeds the required minimum (10 deputies). The main election coalitions are disbanded: *the Conservatives* (the Monarchists) separated from the *Peace*, the liberally-minded *Republicans* broke away from *11th of October*, a part of the *Unity* coalition formed *the Liberals*. *The Republicans*, *the National-Democrats* and *the Greens* seem to be more active and organized. Independent parliamentarians, elected by the majority vote in provinces, most of whom are related to the former communist *nomenclatura*, display a tendency to unification.

Three ad hoc parliamentary commissions were set up: those dealing with the problems of Abkhazia, Tskhinvali region and Megrelia.

Lengthy discussions of the problems of Abkhazia in the Parliament have been reduced to briefings and emotional comments. There has not been any special discussion of the situation in the Tskhinvali region, though the media expresses concern about the complete loss of political control over the region. With the war in Abkhazia still going on, the government avoids any possible complications in Tskhinvali.

Debates on bill of the Status of the Parliament Member were quite intense since the deputies from provinces, elected by the majority vote, did not want to give up their executive authorities in the regions. In the end, the bill was passed with the debatable issue postponed for further consideration.

On the 17th, in response to criticism of the Georgian policy in Abkhazia at the Congress of People's Deputies in Russia, the Parliament adopted quite a sharp-cut Declaration, in which the policy of the Russian Parliament, as well as the activities of Russian troops deployed in Abkhazia were defined as an encroachment upon the territorial integrity of Georgia. The specific facts about the Russian troops fighting on the Abkhaz side were pointed out. Under the circumstances, continuation on negotiations on the *Treaty of Friendship and Cooperation* with Russia was considered problematic.

Before leaving for Christmas holidays, the Parliament passed a package of bills on military issues: *On the Defense of the Republic of Georgia* (22), *On Decorations* (24), *On Martial Law* (24), *On Military Procurator's Office* (24), *On the Military Service* (29), also a Resolution *On the Mobilization of Physicians* (25). The unusual haste, as explained by the Head of State, was prompted by the ongoing war. The new laws are distinguished by greater rigor (e.g., the length of the compulsory military service has been prolonged to 24 months, and that of the alternative service -- to 36 months) and annulment of some former advantages.

In **foreign relations**, the success of the second round of negotiations with Russia on the *Treaty of Friendship and Cooperation*, unaffected by the December 17 Declaration of the Parliament, has been the most important event. According to the draft treaty, the Russian troops will stay in Georgia until 1995, the two countries frontier guards will exercise joint control over the Georgian-Turkish border until 1994; the air-defense system of the Russian army, deployed in Georgia, will be handed over to Georgia. The Russian side wanted to link the negotiations to the Abkhazian problem, the Georgian side rejected that approach.

## CONFLICT IN ABKHAZIA

**Abkhazia** is an Autonomous Republic in the North-West of Georgia, on the border with Russia. Capital -- Sukhumi. Area -- 8.7 square kilometers, population (1989 census) -- 524 thousand, among them 46.2% are ethnic Georgians, 17.3% -- Abkhazs, 14.6% -- Armenians, 14.2% -- Russians and the rest -- other nationalities. In September 1991 the elections to the Supreme Soviet of Abkhazia were held. The electoral law, approved by Gamsakhurdia's government, provided for quotas for major ethnic communities. Thus, out of 65 seats the Abkhaz community got 28, the Georgian one -- 26 and others -- 11. On July 23 the Supreme Soviet of Abkhazia restored (by a simple majority) the Constitution of 1925, according to which Abkhazia was not a part of Georgia, but proposed to sign a federal treaty

with it. The State Council of Georgia denounced these actions as unacceptable. The faction *Democratic Abkhazia*, chiefly composed of the Georgian deputies (31 people) boycotted the session which restored the 1925 constitution and has not taken part in the work of Supreme Soviet ever since.

**The military conflict** began on August 14, when the Abkhaz Guards confronted Georgian military formations which entered territory of the region. The primary aim of this military operation was to take control over the border with Russia and protect the highways and railway lines against subversive and terrorist activities in Western Georgia, allegedly carried out by the supporters of the ex-President. The leaders of Abkhazia considered it to be the encroachment on its sovereignty and an aggression on the part of the Georgian government. Some commentators believe that the August military action was initiated by Mr. Kitovani against the will of Mr. Shevardnadze, which both deny.

Since the beginning of the conflict, the territory of Abkhazia is divided between two governments. The separatist one (headquartered in Gudauta), led by the Chairman of the Abkhaz Supreme Soviet V. Ardzinba, currently exercises its control over the region to the north of the Gumista river until the Russian border, while that loyal to Tbilisi (headquartered in Sukhumi), maintains its control over the territory on the south of the Gumista. Besides, the Abkhazs control the town of Tkvarcheli which is besieged and are leading guerilla warfare in the rear of the State troops. From the very beginning of the conflict, volunteers or mercenaries from the Northern Caucasus (recruited by the non-governmental organization *Confederation of the Mountain Peoples of the Caucasus*), as well as from other regions of Russia (mostly Cossacks) and Turkey (which has quite a sizable Abkhazian diaspora) took part in hostilities on the Abkhaz side. The latter considers the withdrawal of the Georgian troops from Abkhazia an indispensable precondition for any negotiations with Tbilisi.

According to the information of the Ministry of Health of Abkhazia, by the end of December the number of casualties on both sides amounted to 642 people (both military and civilians) with 2461 wounded. However, some observers estimate the number of casualties at around 2.000.

In December, the hostilities continued on two fronts. Across the Gumista river a positional war was going on with the Abkhaz side acting on the offensive for the most part. On December 2 the Abkhazs began (for the first time during this war) bombing Sukhumi and Ochamchire by means of artillery and aviation. As a result, about 60 peaceful citizens of different nationalities were killed during the month. On their part, Georgian troops shelled Akhali Athoni and Eshera (on the Gumista front) and Tkvarcheli (we have no figures about casualties there). Both sides used artillery, anti-tank rifles, and *Grad* installations, while the Georgian side also began to use *Uragan* installations as well.

In the Ochamchire-Tkvarcheli region the two parties fought for gaining control over particular villages. The Georgian troops tried to free the Sukhumi-Ochamchire highway (the only road from inland Georgia to Sukhumi by land) and to advance in the direction of Tkvarcheli, while the Abkhazs aimed at gaining control of at least a part of the highway, to distract as much Georgian forces as possible from the Gumista front and seize Ochamchire at best. No side managed to gain steady success, though for the most part the Georgian troops took the lead. In the beginning of the month the Abkhazs seized several villages, among them Kochara, a considerably large village, chiefly inhabited with ethnic Georgians. On the 3rd and the 6th the Georgian troops seized

strategically important villages of Tamish and Labra. The Georgians recovered their control over the Sukhumi-Ochamchire highway and managed to advance in the direction of Tkvarcheli. For a certain period railway communications were restored between Tbilisi and Sukhumi, though being stopped soon enough due to subversive acts both in West Georgia and Abkhazia.

**Peacemaking efforts.** On December 1 Mr. Shevardnadze received the representatives of *International Alert* organization who had travelled to Abkhazia to study the situation there. According to their information the Abkhazs were possibly willing to make certain concessions which would enable the parties to start negotiations. However, the following escalation of military activities turned these hopes void; Mr. Shevardnadze accused the Abkhaz side of perfidy. Several agreements were reached on short-term ceasefire which were but partially observed. On the 18th the sides exchanged POWs applying the principle *all for all*. In the end of the month, the CSCE delegation travelled to the conflict zone in order to study the possibilities of peaceful solution to the conflict.

The month was marked by further straining of **Georgian-Russian relations** over the conflict. The Georgian Authorities accused the Russian troops, deployed in the conflict zone, of helping the Abkhazs and demanded their withdrawal, while the Russians denied the accusations and refused to withdraw their troops. A biological laboratory of the Russian army situated on the frontline from the Abkhaz side, housing a unit of paratroopers, has become a stumbling-block. Whenever Georgian shells happen to hit the laboratory, the Russians shoot back. Since the Abkhaz side did not possess any warplanes, the Georgian government also accused the Russian troops of bombing Sukhumi and Ochamchire, which the Russians denied. Gen. Kolesnikov, acting Chief of the General Staff of the Russian Armed Forces, stated that those warplanes did not belong to the Russian army and that Georgians were free to shoot them down. According to *Nega* news agency, the Abkhazs obtained the warplanes from the Confederation of the Mountain Peoples of the Caucasus. On December 6 the Russian military demanded in a categorical manner that the Georgians cease bombing Tkvarcheli, and threatened to retaliate by bombing Sukhumi.

Russia's reaction was particularly strong to the crash of its helicopter during a humanitarian aid flight from Tkvarcheli to Gudauta on December 14, resulting in death of 58 passengers (mostly women and children) and three pilots. The Russian side accused the Georgians of shooting down the warplane, while the latter denied it; at the same time, Mr. Shevardnadze remarked in the Parliament, that even if the Georgians had done it, it would have been rightful, since the Russian helicopter had not complied with regulations (the Georgian side had demanded that the Russian planes, performing humanitarian flights to Tkvarcheli should fly over the sea and land in Sukhumi for a check-up). The examination of the site of the crash did not alter the assertion of either side. The Georgian side supposed that the crash might have occurred through excess load.

For the Georgian military formations, the problems of lack of discipline and professional training, drug abuse and absence of united command remained most critical, though certain improvements were observed. Starting from December 9, Gen. Kamkamidze, a Russian-speaking military man of Georgian origin who had been invited by Mr. Shevardnadze to the post of a deputy Minister of Defense, took command of military operations, though without any significant results so far. In the Ochamchire-Tkvarcheli region, several autonomous units of the National Guard united into a brigade under command of Gen. Karkarashvili; this action was prompted by his personality and prestige among the military. The relations are still strained between the National Guard and *Mkhedrioni* units, as well as between the autonomous units of the National Guard and professional officers, trained in the Russian army.

The role of Georgians, resident in Abkhazia, increased both in political and military aspects. A great number of them joined the defenders of Sukhumi. A new Council of Ministers was formed under the leadership of Tamaz Nadareishvili, known for his radical attitude to the conflict. The Council consists of people of different nationalities. The State Minister on Abkhazia Giorgi Khaindrava retained his office, but the authorities have not been formally delimited between the two; however it is obvious that Mr. Khaindrava no longer exercises his former power. There also exists a *Committee of Salvation of Abkhazia* headed by Lorik Marshania, composed mainly of ethnic Abkhazs loyal to the Georgian Government. An ad hoc Commission of the Georgian Parliament on Abkhazian affairs, headed by philosopher Niko Tchavtchavadze, chiefly consists of liberal-minded politicians.

On the Abkhaz side, there are signs of stronger pro-Russian moods which seem to be gaining momentum with the decrease of the North Caucasus influence. One of the leading Abkhaz spokesmen Zurab Achba published an article entitled *Time to Understand that Abkhazia is Russia*, in a newspaper of the Russian nationalist opposition *Den*, in which he invited the Russian military men from the former Soviet republics to settle in Abkhazia. It is reported that more Cossacks and far less Chechens are currently fighting on the Abkhaz side. According to some statements of the Gudauta headquarters, they do not control guerilla groups in the Ochamchire-Tkvarcheli region.

### **POLITICAL PARTIES, OPPOSITION, MEDIA, PUBLIC LIFE**

On the December 26 two organizations of the liberal trend -- the Republican Party and *Dasi* (Democratic Choice for Georgia) merged under the name of the Republican Party (with 11 seats in the Parliament). Three other political organizations (Free Democrat's Union, Ivane Javakhishvili Society and Democratic Popular Front) had previously joined the same party.

At the end of December two parties -- the National Democratic Party and the Christian Democratic Party -- joined the Christian Democratic International of the Eastern Europe.

On December 2 the Union of Georgian Traditionalists (7 seats in the Parliament) made a declaration in which Georgian military actions in Abkhazia starting last August were defined as a "political adventure".

The ousted President Gamsakhurdia left his refuge in Chechnia for the first time after his flight from Georgia and took a private trip abroad (Turkey, Finland and Austria) returning later back to Grozni. Germany denied him an entrance visa. Mr. Gamsakhurdia had meetings with politicians, public organizations and representatives of the media.

Meanwhile, on December 21, while Mr. Gamsakhurdia was still in Europe, a representative of the Procurator General's Office of Georgia A. Bluashvili stated at a press-conference in Moscow, that legal proceedings against Mr. Gamsakhurdia will soon be completed. He and his supporters are charged with numerous subversive and terrorist acts.

The political activity of his supporters in Georgia seemed on the decline. On December 22, small rallies, dedicated to the anniversary of hostilities in Tbilisi, were held in Tbilisi and Zugdidi (the stronghold of the opposition in West Georgia). On the other hand, they have become more active in the media. A new pro-Gamsakhurdia weekly newspaper *Sakartvelos Samreklo* was

published (edited by the former Minister of Education in Mr. Gamsakhurdia's Government E.Javelidze), which is much more radical than *Iberia-Spektri*, formerly a leading newspaper of that trend. Both newspapers are quite popular.

At the Parliament session of December 15, Mr. Jaba Ioseliani threatened to take repressive actions against those newspapers which expressed the views of the ex-President's supporters. This step was caused by a declaration signed by the members of pro-Gamsakhurdia armed formations against the new authorities, published in an independent daily *Iveria-Expressi*. There are reports of psychological terrorism exercised against some journalists. Several newspapers (not only pro-Gamsakhurdia) reacted strongly to the infringement upon the freedom of the media.

## **PUBLIC OPINION**

According to a poll conducted in Tbilisi by the Government's Center for Social Management, 80.8% rated Mr. Shevardnadze's activity "very positively" or "mostly positively". He was followed by Nodar Natadze -- 74.1%, Tamaz Gamkrelidze -- 70.3%, Giorgi Khaindrava -- 61.5%, and Tedo Paataashvili -- 58%. Among Parties and coalitions, the leaders were *11th of October* -- 50.9%, *Peace* -- 36.8%, the Greens -- 34.6%, *Unity* -- 28.8%, Charter-91 -- 23.5%.

*Resonance* newspaper conducted several polls. 32% of those questioned thought that the new Parliament "fully justified" or "justified their confidence", while for 44.9% it "did not justify their confidence" or "did not justify their confidence at all".

37.9% supported the idea of an immediate withdrawal of Russian troops from Georgia, 21.7% thought they were to stay until the Georgian army acquired due skill, and 18.8% thought they should stay as a peace-keeping force until political stabilization was achieved.

Only 0.6% would put up with the independence of Abkhazia and South Ossetia. 87.3% opposed the existence of the Ossetian territorial autonomy within Georgia (though 29.2% supported granting cultural autonomy to the Ossetians), and 85.6% supported the territorial autonomy of Abkhazia.

## **ECONOMY IN 1992**

**General situation** was characterized by observers as extremely grave. The reasons being the absence of any coherent programme of economic development, political instability and chaotic political and economic relations with Russia and other post-Soviet states to whom the Georgian economy remains to be tied. Despite general declarations about market-economy reforms, the market-oriented forces (vice-premier Roman Gotsiridze is regarded to be their leader) have weak positions in the government. Conservatism and corruption at all levels of the executive power, deficiency of younger and competent officers also present a problem.

The legislative basis of the reforms drags behind the ongoing economic changes within the ruble zone. Two years have passed since the laws on the fundamental principles of the reforms were adopted (the laws on entrepreneurship, investments, privatization, system of taxation etc.), but definite mechanisms of their implementation are still unavailable. The legal vacuum in the field of property relations, banking and taxation systems is particularly apparent. There is a relative progress (though without a legal basis as well) in agriculture. In the spring of 1992 a part of the state-owned lands was handed over to peasants in private property (for the most part free of charge). At present

about half of all cultivated land belongs to private owners. However, the reform was solely applied to land ownership without any kind of major changes in the system of economic relations in agriculture.

At the end of the year, clearing transactions between the Central Bank of Russia and the National Bank of Georgia were suspended. The same occurred with the Central Bank of Kazakhstan. With newly established foreign economic relations being still very weak, the already declined commodity turnover has come to an almost total standstill, resulting in an actual economic blockade of Georgia.

In September, the State Program of privatization was approved and the list of the premises, subject to first-stage privatization, was published (chiefly including commercial and service premises). For the time being, nothing has been done to implement this programme. In the meantime, the so called "hidden privatization" is in progress.

Legalization of private entrepreneurship has led to some revival of small business. However, under the conditions of hyperinflation with banks chiefly granting short-term, high interest loans, investments are extremely limited and the private sector has for the most part to engage in mediation and trade.

Due to the unfavorable investment climate foreign investors take little interest in Georgia. Existing joint ventures mainly deal with hotel service and mediation. By the end of the year out of 271 joint ventures registered only 37 were functioning; the first two of them shared 78% of the total production and service volume, and the first four ones -- 93%.

**Basic indices of economy and the social sphere in 1992.** The overall domestic product has dropped by 40%, and the volume of earned national income -- by 45%. Production output decreased by 48% in industry and by 32% in agriculture.

During the first 11 months the budget deficit reached 93%. Revenues from the surplus value tax, state and private organizations excess profit tax, state duties and privatization of property were far lower than it had been envisaged. Revenues from the cash circulation defrayed just 55% of corresponding expenses.

During the year, the employment level dropped by 4%, while the number of those registered at the labor exchange increased almost 7 times and reached 7% of those employed (only a part of them has been granted a formal status and received corresponding benefits). The forced stoppage of enterprises has caused the rise of the so-called hidden unemployment, making the factual unemployment rate much higher.

The situation in the field of construction has extremely deteriorated. No significant industrial enterprise has been put into operation; while majority of those under construction have been suspended. 86% of newly built dwelling houses are found in the regions damaged by recent earthquakes.

Freightage by railway dropped 2.6 times, the number of railway passengers -- 1.8 times, and that of the airway passengers -- more than three times.

The decline in economy led to the deterioration of the standard of living. During the first nine months the share of food expenses in the consumption budget reached 63% (36% in 1985). The calory value of nutrition dropped below the hunger limit in 1991 and continues to drop. Average daily consumption amounted to 2148 kilocalories. The nutrition structure is also worsening: cereal products make up 68% of all calories, while meat, fish, milk products and eggs make up only 14% (in 1990 the indices were correspondingly 58 and 20%). Other qualitative indices of nutrition are not encouraging either.

The normative minimum of the consumption budget for an average family increased almost 8 times. The normative level of the minimal wage is 3 times more than the minimal wage level set by the government.

The death rate (including the infant mortality rate) tends to increase. Cases of death caused by cachexy are regularly registered.

## APPENDIX

### THE CABINET OF MINISTERS OF THE REPUBLIC OF GEORGIA

Prime-Minister	Tengiz Sigua
Vice-Premier (economic reform)	Roman Gotsiridze
Vice-Premier (industry, energetics, communications)	Zurab Kervalishvili
Vice-Premier (agrarian sector)	Avtandil Margiani
Vice-Premier (defense)	
Vice-Premier (culture, science, education)	

#### **Ministers:**

Agriculture and Food Industry	Giorgi Kvesitadze
Architecture and Construction	Guram Mirianashvili
Commerce and Supplies	Murtaz Zankaliani
Communications	Pridon Injia
Culture	David Magradze
Defense	Tengiz Kitovani
Economy	Mikheil Jibuti
Education	Kote Gabashvili
Environment Protection	Shota Adamia
Finance	Kakhi Popiashvili
Foreign Affairs	Alexandre Chikvaidze
Fuel and Energetics	Revaz Arveladze
Health	Irakli Menagharishvili
Industry	Tengiz Geleishvili
Internal Affairs	Temur Khachishvili
Justice	Konstantine Kemularia
Social Security, Labor and Employment	Vazha Gujabidze
State Property Management	Avtandil Silagadze
Transportation	Mikheil Gurgenidze

#### **Chairmen of the State Committees:**

Customs	Irakli Kadagishvili
Forestry	David Gigauri
Human Rights and Interethnic Relations	Alexandre Kavsadze
Land Resources and Land Cadastre	
Refugees and Settlement	Valery Vashakidze
Science and Technology	Levan Japaridze
Social-Economic Information	Leri Gigineishvili
Sport	Kakhi Asatiani
Tourism	Konstantine Salia

**Presidium of the Cabinet of Ministers** (formed by the Cabinet on December 23): T.Sigua, R.Gotsiridze, Z.Kervalishvili, T.Kitovani, A.Margiani, G.Kvesitadze, K.Popiashvili, A.Silagadze, A.Chikvaidze, M.Jibuti

**Chiefs of State Services and Corporations:**

Information and Intelligence Service	Irakli Batiashvili
Printing Industry and Publishing Corporation	Victor Rtskhiladze
State Corporation of the Meal Products	Omar Katsitadze

**Chiefs of Departments:**

Geology, Geodesy and Cartography	Vladimer Gugushvili
Material Reserves	Mikheil Gugushvili
Technical Control of the Republic's Economy	

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Chamber of Control, Chairman	Revaz Shavishvili
National Bank, Manager	Demur Dvalishvili
Procurator General	Tedo Ninidze
Supreme Court, Chairman	Mindia Ugrekheldze
Television and Radio Broadcasting Service, Chairman	Archil Gogelia