

## **Georgia Pulls the Plug on Greenhouse Gas**

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As the government ends the free gas supplies it provided as a subsidy for an isolated mountain region, the future looks bleak for a community whose options have been drastically reduced.

The border between Georgia and the Russian republic of North Ossetia is marked by a simple customs post in the village of Verkhny Lars. The mountain air should be clear, but here it is thick with dust and the exhaust fumes from dozens of vehicles waiting there.

“This is typical,” said Leyla, 39, a resident of the North Ossetian capital Vladikavkaz. “We’ve been here for 14 hours, but I’ve seen worse.”

On the other side of the border is an even longer line of cars from the nearby Georgian village of Kazbegi. These are traders who are travelling over the mountains to Vladikavkaz, where they will sell their produce and buy goods to take home and trade for a small profit.

The drivers on this side of the border say that they have been standing here for days, not hours.

“My load is rotting,” said one driver who refused to give his name. “I could pay to get across. But then I’ll have nothing to live on.”

There are fixers who will speed the border procedures up for 50 US dollars, or 1,500 Russian roubles, cash in hand. But this will cut into the traders’ already very slim profits.

But despite all the difficulties, the road to North Ossetia is a lifeline for Kazbegi’s approximately 6,400 inhabitants.

For them, business is better in Vladikavkaz, just 45 kilometres away, than in the Georgian capital Tbilisi, some four hours away along substandard roads.

Add to this the fact that in winter, the main mountain pass to Tbilisi is often closed due to bad weather, leaving Kazbegi cut off from the rest of Georgia, and it is not so surprising that traders from Kazbegi prefer to queue up at customs to get into North Ossetia.

The Verkhny Lars crossing point is never closed, and in recognition of the special position of Kazbegi, residents enjoy a visa-free regime that allows them to move freely between the two, on production of a passport and a supplementary ID issued by the police.

North Ossetia’s capital, Vladikavkaz, may soon become more than just a market for itinerate traders from Kazbegi. Many are eyeing it up as a possible refuge from the unemployment and poverty that threatens their area.

Unemployment in Kazbegi stands at 50 per cent, and a recent decision by the Georgian government to end free gas supplies to local market gardeners is likely to greatly increase that figure.

The hothouse cucumbers and tomatoes grown in Kazbegi and sold in Vladikavkaz are the major source of income for many people in the area.

Until now, the Georgian government has provided owners of greenhouses in Kazbegi with free gas to keep the plants warm. For the cash-strapped Georgian government, it represented a subsidy for this outlying region.

But earlier this month, Georgian officials decided that the treasury could no longer afford to pay Kazbegi's heating bills.

A government commission of inquiry recorded 534 greenhouses in the Kazbegi region, which together covered a large area, 124,000 square metres. Officials say heating these greenhouses costs central government eight or nine million lari, or up to five million dollars, every year. That is an enormous burden, considering that Georgia's total national budget is a tiny 2.2 billion lari.

Based on the commission's findings, the government decided to stop supplying gas – and even to dismantle the pipes that take it to the greenhouses.

The news came as a great blow to the people of Kazbegi. Resident Giorgi Marsagishvili supported his family of eight by selling the vegetables he raised in his 280 square metre greenhouse.

"I grew three to four tons of cucumbers a season, selling most of them in Vladikavkaz where I have two Ossetian partners," said Marsagishvili. "My partners and I made a living from this business."

On average, each family earns around 300-400 lari per month, or 165-220 dollars, compared with the 70 or 80 lari monthly wage of government workers.

Marsagishvili says paying for the gas is not a viable option, since the cost would more than double the price of produce.

The loss of the greenhouses will take its toll on the livelihood of the entire population. Venera Gogishvili, 57, has for the past few years earned her living by travelling to Vladikavkaz once or twice a month, buying goods there to sell to her neighbours back home.

Her average monthly income from this is 120-150 lari, but when the greenhouses go, Venera believes her earnings will halve.

"People made money thanks to their greenhouses. Without them, who will have the money to buy my goods?" asked Venera. "I might have to shut up shop and leave my house. I don't see any other way out. We'll move to Vladikavkaz, to my son there."

Locals also complain of rising Georgian customs duties, which they say will reduce trade with Russia.

Like Venera, many other people in Kazbegi are contemplating a move to Vladikavkaz, but hope it will only be temporary, until things improve in their native area.

Gogi Kirikashvili, Kazbegi's district governor, sees the closure of the greenhouses as the beginning of the end. "The greenhouses kept people here. It's hard to imagine what they will do in Kazbegi now," he told IWPR.

Kirikashvili believes that next year will be even more difficult for his region. The local budget will be reduced significantly, and as governor, Kirikashvili will have to cut 150 government jobs.

"I don't know how I'm going to do this. Everyone's related round here, and even without that complication it's very difficult to tell someone that he's no longer needed," said Kirikashvili.

But officials from Georgia's central government say that the fallout from the greenhouses' liquidation will not be as bad as some predict. Jambul Bakuradze, head of the department for regional policy at Georgia's State Chancellery, told IWPR that life in Kazbegi will actually change for the better in the next two to three years.

"The Ministry for Economic Development has been instructed to come up with a plan for Kazbegi district's economic development and for the development of tourism there," said Bakuradze. "Believe me, this will bring a lot more income to local residents than the greenhouses did."

Natia Turnava, deputy minister for economic development and chair of the special commission on Kazbegi, said that financial compensation will be paid to the greenhouse owners by the end of the year, although she could not give an exact date.

At 35 laris per square metre, each owner will receive 9,000 to 12,000 laris for the average greenhouse. According to Turnava, the compensation will total some 5.1 million laris, and will be paid out of a special government reserve fund.

Officials believe that this sum should be sufficient to allow people to start up new businesses.

But the government's decision to cut off the greenhouses has been criticised by some experts for being poorly thought through. Kakha Imerlishvili, of the Young Economists' Association of Georgia, believes that regional development and tourism should have come first.

"I think this decision was premature," Imerlishvili told IWPR. "Given the specific conditions in the region, the authorities should have offered local residents an alternative source of income before taking away their greenhouses."

Others take issue with plans to encourage livestock farming. Officials say Kazbegi residents could use their compensation money to buy cattle, and the agriculture ministry even plans to provide pastureland in the lower-lying neighbouring regions of Kvemo Kartli and Kakheti where the animals could be kept over the winter.

Local government chief Kirikashvili says farming cows and pigs is not as profitable as growing vegetables. He also doubts that sufficient pastureland for Kazbegi residents can be found.

"As far as I know, most of the pastures in Kvemo Kartli and Kakheti are already in private ownership. I am

afraid there isn't enough room for us there," he said.

Despite the hardships of their trade and the health hazards from the large amount of pesticides they use, the greenhouse gardeners fear for their future and are not comforted by the offer of compensation.

"What can we do with this money?" said Soso Arjinashvili, 47. "Half of it will probably go on paying back debts, and the rest will keep my family for a year. That's it."

Eteri Mamulashvili is a correspondent for Georgia's 24 Hours newspaper in Tbilisi. Regina Revazova, a reporter for Kavkazsky Uzel in North Ossetia, contributed to this article.

**Location:** Stavropol  
Russia  
North Ossetia  
Ingushetia

**Focus:** Caucasus

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