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## **Urban and Rural Land Market in Transitional Economies: The Case of Georgia**

Georgia is an agricultural country: nearly 90% of the population strongly depend on agricultural production. Access to land, therefore, is a key factor for individuals as well as national development. During the last century Georgia was affected by major political changes. In the 1920s the annexed Georgia was forced to change from private ownership into state ownership. After the end of socialism, state ownership transformed into private ownership again.

This research analyses the development of the land market from socialism to market oriented economy. Based on a literature review and theoretical discussion, which refers to New Institutional Economics, three hypotheses are defined:

1. Land market has already started to develop before the re-establishment of private ownership in Georgia.
2. The re-introduction of private ownership over land and the operation of land market based on the principles of market economy led to a high concentration of land within a decade.
3. The period of institutional change allowed powerful people to influence the land market to their advantage.

They are verified using a case study approach, applying qualitative methods. The thesis concludes with recommendations on how to improve the current situation.

**Key words:** Land market, institutions, institutional change, land administration, illegal land transaction (black market), Georgia.