



International Journal of Sociology and Social Policy

Marketization and the public-private divide: Contestations between the state and the petty traders over the access to public space in Tbilisi

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Article information:

To cite this document:

Lela Rekhviashvili, (2015), "Marketization and the public-private divide", International Journal of Sociology and Social Policy, Vol. 35 Iss 7/8 pp. 478 - 496

Permanent link to this document:

<http://dx.doi.org/10.1108/IJSSP-10-2014-0091>

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Marketization and the public-private divide

Contestations between the state and the petty traders over the access to public space in Tbilisi

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Abstract

Purpose – The purpose of this paper is to critically examine the reasons behind a decade long contestations between the Georgian government and the petty traders over the access to the public space for commercial use.

Design/methodology/approach – The paper relies on the repeated ethnographic fieldwork conducted in Tbilisi in 2012 and 2013. The ethnographic interviews with legally operating traders and illegal street vendors are supplemented by the in-depth interviews with the representatives of the city government and secondary literature on Georgia's post-revolutionary transformation.

Findings – Bridging the critical literature on the politics of the public space with Polanyi's theory on commodification of fictitious commodities as a precondition of establishment of a market economy, the author argues that for the Georgian government control of the public space was necessary to pursue neoliberal marketisation policies. These policies required removal of the petty traders from public spaces because the state needed to restrict access to public space and limit its commercial usage to delineate public and private property and allow commodification of the urban land and property. As the commodification intensified and the rent prices started growing and fluctuating, the access to the public space became even more valuable for the petty traders. Therefore, the traders developed subversive tactics undermining the division between public and private space and property.

Originality/value – The paper demonstrates the importance of enforcing the public-private divide in the process of establishing a market economy in transitional settings. Moreover, it illustrates little discussed social costs of establishing such a divide.

Keywords Transition economies, Informal economy, Public space, Marketization, Petty trade, Tbilisi

Paper type Research paper

Introduction

Any mention of the concept of public space instantly evokes two contrasting sentiments. On the one hand, public space evokes hopeful visions of human coexistence. It is associated with democratic deliberation and inclusive, pluralistic society (Arendt, 1958; Habermas, 1993). It is a space where an individual becomes part of a community, encounters anonymous others, learns to accept and incorporate difference and participates in shaping social and political life. On the other hand, hopeful sentiments are overshadowed by the stark reality of shrinking, privatised and devalued public spaces (Davis, 1990; Harvey, 1989; Low and Smith, 2006). Throughout recent decades, the literature on public spaces has been dominated by a narrative of loss (Orum and Neal, 2009) to the extent that it has become impossible to think of public space without seeing it as already compromised, attacked and disappearing. Recently, the concern with the neoliberal attack on public space has been shared by the literature



on urban transformation in former Soviet republics (Aksenov, 2012; Darieva *et al.*, 2012a, b; Zhelnina, 2013). In this part of the world, globalisation and marketisation take place within a weaker institutional and regulatory context, often resulting in what Lemon calls a “new urban disorder” (Lemon, 2012). In this paper I discuss how neoliberal marketisation has triggered ongoing conflicts over access to public space in Tbilisi, capital of the rapidly neoliberalising post-Soviet republic of Georgia.

Since the so called “Rose Revolution”[1] of 2003, Georgia has witnessed a considerable economic recovery and a drastic improvement in institutional quality (Engvall, 2012). In contrast with the decay that the capital city experienced throughout the 1990s, since the revolution the government has started investing in the city’s infrastructure and inner city revitalisation (Assche *et al.*, 2009). However, the new institutional settings that liberated market forces from the burden of planning and regulation have disproportionately benefited business elites (Salukvadze, 2009), discouraged participation by citizens and disregarded questions of liveability in the city (Vardosanidze, 2009). In the wake of these controversial post-revolutionary changes, a somewhat unlikely conflict emerged between the reformist government and petty traders over access to public spaces in Tbilisi. The government banned trade in public spaces, strictly enforcing regulations in the name of freeing up and revitalising public spaces. Finding it hard to comply with the new regulations, traders protested collectively and found diverse and creative ways to undermine the new rules and retain access to public space for their commercial activities.

The conflict is intriguing in a few respects. First, it is unclear why a neoliberally minded, business friendly government would engage in a struggle with private, market based actors. A neoliberal government could be expected to encourage trade even at the expense of compromising “publicness” (Varna and Tiesdell, 2010) and the social value of public spaces. Instead, the government claimed that it could not allow the traders’ interests to override the interests of the general public (Fedorenko, 2010). Indeed, researchers have noted that these moves were hardly consistent with the government’s liberal policies. According to Manning, the war on bazaars and petty commerce “is difficult to rationalise coherently in terms of any typically liberal ideology of ‘bottom up market liberalism’” (Manning, 2009, p. 343). Second, why did the traders insist on trading in public spaces? The overall direction of post-revolutionary reforms was supposed to benefit informally operating petty traders. Taxes were drastically reduced and regulations were simplified; bureaucratic corruption and the influence of criminal/mafia racketeers were removed (Slade, 2012). According to the dominant arguments about the informal economy, these types of changes should enable small and informally operating actors to formalise and expand their entrepreneurial activities (De Soto, 2000, 1989; Johnson *et al.*, 1998; Loayza, 1999; Piculescu and Hibbs, 2005; Schneider, 2006; Schneider *et al.*, 2010). Instead of welcoming and benefiting from these changes, the majority of legally and illegally operating petty traders were disappointed with governmental policies and expressed a strong preference in favour of trading in public spaces.

How does a neoliberal government become an enemy of small traders and why does the conflict revolve around public space? These questions seem particularly relevant given that similar grievances have been prevalent in many other post-Soviet cities (Humphrey, 2002; Polese, 2006; Polese and Prigarin, 2013; Spector, 2009), sometimes resulting in protracted struggles between the authorities and traders over access to public spaces (Humphrey and Skvirskaja, 2009; Pachenkov, 2012). Exploring the case of the conflict between the Georgian government and petty traders, I argue that neoliberal governments need to regulate public space because both delimiting commercial activities

to private spaces and delineating public property from private are necessary for the establishment of key market institutions. I contend that the existing literature that looks at this particular conflict fails to observe the economic rationale behind regulating and controlling public space in Tbilisi. In order to explain the government's seemingly counterintuitive moves, existing accounts pay attention to the political motivations of the post-revolutionary government. It is argued that, in an attempt to design what Westward looking political elites would perceive as a modern, civil and European state, the government cleaned the city of "unwanted residents" such as vendors, internally displaced persons and beggars, who would act as a reminder of social problems. The vendors and traders at traditional bazaars were seen as backward looking, oriental remnants of the past which needed to be replaced by modern forms of commerce (Khutsishvili, 2012; Manning, 2009). Removing these actors and their practices in turn would denote the reinvention of the Georgian nation as a European nation: "these changes have been made with the explicit aim of presenting Georgia not only as an independent nation, but as an independent European nation" (Frederiksen, 2012, p. 127). According to Manning, the government was taking "aesthetic offence" at these marginal economic actors, which only indicated the shallowness of Georgia's liberal reforms: "the Rose Revolution's allegedly 'Westernising' reforms are more preoccupied with Westernisation of surface appearances than substantive economic goals" (Manning, 2009, p. 343). According to this argument, the traders must be dissatisfied because the government betrayed the principles of economic liberalism.

In contrast to existing perspectives, in this paper I argue that the government's attempt to free public spaces from the presence of traders was not in conflict with, but rather was in line with the overall neoliberal direction of the post-revolutionary changes. I draw on the so-called "end of public space" literature, which suggests that control of public space is central to the neoliberal marketisation strategy (Low and Smith, 2006; Mitchell, 1995). Control and regulation of public space proves particularly important for a transitioning state where the very existence of the key market institution – private property – cannot be taken for granted. The Western conception of public space tends to presuppose the existence of private property. Public space is the space between the state and the private/market sphere (Habermas, 1993). In countries where this definition is not yet in place nor is institutionally supported, public space can be and often is used as a non-excludable economic resource, or as "commons"[2] (Bollier and Helfrich, 2012). In this context, if the government decides to establish the institution of private property, regulation of public space and confining economic exchange to private space is a central and unavoidable step. It is impossible to accumulate gain from private property if access to public property is unlimited. This is to say that one cannot trade a resource if that resource is not scarce; if it is available to everyone. The logic of capitalist growth, however, requires that resources are commodified (Polanyi, 1944/1957), that access to them is delimited and that they are subject to market prices. Resistance to marketisation, then, is triggered by economic, and more importantly social, losses that stem from commodification of more and more spheres/spaces of life. As Polanyi explains, commodification primarily endangers the social organisation and cultural institutions of such societies: "These institutions are disrupted by the very fact that a market economy is foisted upon an entirely differently organised community; labour and land are made into commodities, which, again, is only a short formula for the liquidation of every and any cultural institution in an organic society" (Polanyi, 1968, p. 49). Relying on these theoretical insights, I argue that it was a priority for the Georgian government to restrict use of public space

as a productive resource. This way the government facilitated the establishment of private property and the accumulation of gain that follows the commodification of urban land and property. It was this commodification process that traders resisted and undermined through their sustained efforts to retain access to public space as a productive resource as well as a space for social and cultural reproduction. Instead of being hopeless victims, they devised diverse tactics to subvert state regulations and resist commodification of urban space and property.

The paper makes use of secondary literature and media reports on the post-revolutionary transformation of Georgia. However, the main part of the empirical material was gathered in Tbilisi during several periods of ethnographic fieldwork, totalling eight months, which took place between June 2012 and May 2014. The main research tool on which I relied was participant observation, which, following Rasanayagam, I saw as an opportunity for “an engaged learning, an opening up to the rationales and moral perspectives of others” (Rasanayagam, 2011, p. 683). Residing in one of Tbilisi’s inner districts, I visited my main observation site, the central grocery marketplace – Desertirebis Bazari (Deserters’ Bazaar) – and its surrounding territory on a daily basis, interacting with my key informants throughout their lengthy working day. My informants were both legally operating traders working inside private marketplaces and illegally operating traders, or street vendors. Traders commonly form groups of five to ten persons, and my ethnographic interviews were embedded in the discussions that took place among the groups of traders on a daily basis. Some of the key groups I regularly interacted with were: a group of elderly ladies selling agricultural products near the Deserters’ Bazaar; a group of middle aged women trading garments in the square alongside a small shopping mall; and a group of Georgian Roma who also sell garments alongside the Borjomi farmers’ bazaar. While the mentioned groups largely operated illegally in public spaces, the rest of my informants were traders operating legally inside the bazaars and also at a privately organised marketplace of second hand clothes in a public pedestrian underpass. On the same sites I had the opportunity to conduct ethnographic interviews with the private owners and managers of the marketplaces and state agents – policemen and members of the special unit of supervisors from Tbilisi City Hall, as well as witnessing the interaction between these actors. In addition, I conducted semi-structured interviews outside the main observation sites with higher ranking representatives of the city government and representatives of an opposition party that supported the street vendors’ collective mobilisation efforts throughout 2008-2010. In what follows, I first overview the key theoretical starting points for analysing the conflict over public space; second, I examine how control of public space became part of the neoliberal marketisation policy in post-revolutionary Georgia; third, I present the street vendors’ diverse tactics for resisting marketisation; and lastly I offer concluding remarks.

The neoliberal attack on public spaces and its challengers

While public space is a broad and diversely defined concept, in this paper it refers to urban spaces such as streets, sidewalks, squares and parks which are non-private, are in principle available to the whole public (Orum and Neal, 2009), and are commonly managed by the state. Urban public spaces can be understood as literal commons, as a “collectively owned resource held in joint use or possession to which anyone has access without obtaining permission of anyone else” (Németh, 2012, p. 5). But public spaces, like any other commons, in spite of being non-excludable in principle often become

exclusive in practice or, even worse, are enclosed altogether. As Bollier and Helfrich argue, the enclosure of commons, or the “commodification and privatisation of shared resources” is “one of the great, untold stories of our time” (Bollier and Helfrich, 2012). However, the enclosure of public spaces in Western cities is relatively well documented and has been fiercely criticised.

Starting from Sennett’s compelling illustration of the declining significance of public space in his book *The Fall of the Public Man* (Sennett, 1993), researchers have expressed growing worries over the current state and the future of public space. The primary concern of the so called “end of public space” literature is the aggressive encroachment of private interests onto public space, and the resulting invisibility and exclusion of marginalised segments of society (Davis, 1990; Mitchell, 1995; Sorkin, 1992). These writings call to mind the continued and perhaps even amplified importance of the question raised by Lefebvre in the end of the 1970s – “who has the right to the city?” (Lefebvre, 1996). Critical accounts illustrate that the subordination of public space to private interests, private management and policing strategies, usually backed up and legitimised by the state, have led to the “destruction of any truly democratic urban space” (Davis, 1992, p. 155). According to Mitchell and Staeheli, while public spaces have always been sites of political contestation, they have now become sites of overwhelming insult to the marginalised: “As cities have redeveloped, public space has become a key battleground – a battleground over the homeless and the poor and over the rights of developers, corporations, and those who seek to make over the city in an image attractive to tourists, middle- and upper-class residents, and suburbanites” (Mitchell and Staeheli, 2006, p. 144). Militarised control of public space and the exclusion it entails is not only seen as a result of neoliberal restructuring (Harvey, 1989), but also as a main strategy for imposing neoliberal policies: “The neoliberal regime that has taken hold of political and cultural power around the world involves the sharpening of social divisions, based especially on class, race/ethnic, national, and gender differences, but stretching much further into the fabric of social difference. The control of public space is a central strategy of that neoliberalism” (Low and Smith, 2006, p. 15).

While the “end of public space” literature gives important theoretical as well as empirical insights for understanding the neoliberal encroachment onto public space, it provides few tools for studying how this encroachment is subverted and contested. Relying on different theoretical starting points, critical thinkers underline the importance of human agency, arguing that ordinary citizens continuously devise subversive tactics against the state’s strategies of control (Certeau, 1984) and possess considerable power to “negotiate and influence social structure over time” (Pardo, 1996, p. 9). In contrast to viewing neoliberalism as a hegemonic, all-encompassing project, the “diverse economies” literature suggests that neoliberalism is approached as a process which is domesticated through people’s daily practices in historically and spatially specific contexts (Gibson-Graham, 2006; Smith and Rochovská, 2007; Smith and Stenning, 2006; Stenning *et al.*, 2010). In Polanyi’s words, any radical advancement of markets is always faced by a countermovement (Polanyi, 1944/1957).

In the post-socialist context, citizens have resisted the commodification of productive resources, land, labour and money, relying on informal self-protective and entrepreneurial practices (Burawoy *et al.*, 2000). Over time, the persistence of non-market activities has illustrated the limitations of the so called “marketisation thesis” (Williams, 2004; Williams and Onoschenko, 2013). Instead of being swept away as a result of the process of deepened marketisation, informal economic practices have retained their importance for the daily lives of the citizens of various post-socialist states. In the context of state withdrawal from

the provision of social security, informal exchanges serve as social security nets (Round and Williams, 2010) and create bottom up welfare for community members (Davies and Polese, 2015; Morris and Polese, 2014a, b; Polese *et al.*, 2014; Williams, 2005). Even if these practices are used to ease the socio-economic hardships brought about by neoliberal transformation, they are not reducible to survival strategies. Instead they are seen as a complex phenomenon, embedded in the cultural institutions of these societies (Morris, 2011; Morris and Polese, 2014a, b), that subvert the neoliberal logic of how the economy and society should be organised: “all of these attempts to make livelihood and to supplement incomes simultaneously run counter to the neo-liberal logic requiring formalisation of market relations and transparency” (Smith and Rochovská, 2007).

In this paper I rely on two claims to analyse the conflict between Georgia’s post-revolutionary government and petty traders over access to public space in the small former Soviet republic’s capital. The first emphasises that control of public space is a strategy for imposing neoliberal changes, while the second emphasises the inevitability of resistance to neoliberal marketisation.

The state against street vendors

Prior to the Rose Revolution, the newly independent republic of Georgia was known for its overwhelming levels of corruption, numerous ethnic and civil wars and its decadent political scene. The Rose Revolution of 2003 evoked high hopes in both domestic and international audiences. The post-revolutionary government, led by the charismatic young president Mikheil Saakashvili, offered an ambitious reform agenda, promising democratisation, territorial integrity, economic recovery and the eradication of corruption. Unlike many other (non-Baltic) post-Soviet countries where similar promises were often made but rarely kept, Georgia’s efforts at reform were soon acclaimed by most international observers. The praise most often referred to Georgia’s astonishing success in state building, reducing corruption and economic recovery (Engvall, 2012). Dunn and Fredericksen recently noted that, while scholars have usually examined Georgia’s second transformation in terms of what was gained, there is also a need to examine “what was lost in the politically proclaimed end of transition in Georgia [and] what could be gained by considering ‘lost in transition’ not only experientially, as a sense of bewilderment, but concretely, in terms of objects, habits, and relationships that have been lost, destroyed, abandoned, or eradicated” (Cullen Dunn and Fredericksen, 2014, p. 242).

Limits placed on access to urban public spaces – streets, sidewalks, squares – have been one of the painful losses experienced by petty traders. Like many other post-Soviet countries that experienced an “enormous burgeoning of petty trade” (Humphrey, 2002), Georgia saw small scale trade, alongside household subsistence agriculture, gain particular importance at the beginning of the 1900s. The costs of the breakdown of the socialist redistributive economy were amplified by a short civil war and two ethnic wars, resulting in widespread internal displacement and unemployment. In this period, small trade and vending evolved spontaneously, without much state involvement, covering cities with improvised kiosks, small stalls and vending sites organised around former Soviet bazaars and stores (gastronomes), metro stations, main streets and elsewhere. Prior to the Rose Revolution petty trade was informal; it was not officially taxed, and as it required very little start-up capital it was available to numerous actors. As Salukvadze describes, this unregulated trade significantly reshaped public spaces in the city: “During the 1990s a remarkable share of shopping was done in Kiosks. Hundreds of them were dotting the pavements/sidewalks along the main streets of the city and clustered in specially organised

open markets, so called bazroba (term derived from bazaar)" (Salukvadze, 2009, p. 176). As petty trade served as an important income generating activity for a large number of citizens, the Georgian government under president Shevardnadze largely tolerated traders operating informally and sometimes illegally, as well as the ways in which they transformed and occupied the city throughout the 1990s. According to observers, by 2007, just prior to the privatisation of public marketplaces, public marketplaces hosted up to 100,000 persons (International Trade Union Confederation, 2008).

Starting in 2004, the government took numerous steps to restrict widespread petty trade across the country, most vigorously in Tbilisi. First, vending kiosks were demolished as illegal constructions. In 2006 the government prohibited vending without a permit issued by Tbilisi City Hall and placed the city police in charge of removing unlicensed vendors. Numerous vendors applied for the permit, attempting to legalise their trade, but permits were only given to a few companies (Saladze, 2011). Meanwhile, from 2006 to 2007, public marketplaces underwent an intensive privatisation programme. On the one hand, this left the majority of vendors with the sole option of continuing to trade inside privately owned marketplaces. On the other hand, the importance of accessing public spaces for vending became ever more important for those traders who could not afford to secure a pitch within the privatised marketplaces. Yet later, a special state agency was established to aid the police in controlling illegal street vendors.

At first glance, the government's efforts to remove street vendors from public spaces do not seem to follow the logic of neoliberal transformation. The Georgian post-revolutionary government, known for its business friendly policies, was attacking private entrepreneurs, supposedly to protect the public interest. The explicit political justification for the fierce struggle against vending referred to city inhabitants' right to a clean urban environment and safe consumer goods. As the city authorities explained: "The interests of street vendors are very important, but we cannot act in their interest alone by ignoring other people's needs. Many of the people who lived in buildings near these vendors complained about the bad smell. A lot of these vendors sold highly-perishable goods, and didn't follow hygiene procedures" (Fedorenko, 2010). Existing research evaluates these steps as contradicting the economic goals and policies set by the Georgian government (Manning, 2009). Observers argue that the government was motivated rather by the will to clean the city of "unwanted residents" that could be a reminder of poverty and social misery, and make Tbilisi look more modern and "European" (Frederiksen, 2012; Khutsishvili, 2012).

While it is important to acknowledge the control of public space as a political project aimed at modernisation, in which the poor and marginalised were rendered "unfit" and were driven out of public spaces and the public sight, I argue that the same strategies of control also had a consistent economic rationale, pushing the process of marketisation. According to Polanyi, a market economy is defined as "an economic system controlled, regulated, and directed by markets alone; order in the production and distribution of goods is entrusted to this self-regulating mechanism" (Polanyi, 1944/1957, p. 44). Marketisation, as a process leading towards the establishment of a market economy, involves commodification of more and more spheres/spaces of life, most importantly of three fictitious commodities: land, labour and money. For the process of commodification to succeed, the state should be capable of securing private property as a core institution that enables the functioning of a capitalist economy (Kohli, 2004; North, 1990; Robinson and Acemoglu, 2000; Rodrik, 2004; Rothstein and Teorell, 2008; Sokoloff and Engerman, 2000; Tabellini, 2004).

The reforms pursued by the post-revolutionary Georgian government were aimed at facilitating the neoliberal marketisation process. On the one hand the government changed the design of economic institutions – removing and simplifying regulations, reducing taxes and enhancing the privatisation process (Jandieri, 2009). These efforts were supported and applauded by the major Western powers as well as international financial institutions: “For three years running, [Georgia] appeared in the top-10 reformers’ list; and was the top reformer in *Doing Business 2007*” (European Stability Initiative, 2010, p. 8). By 2011 Georgia ranked 17th in the World Bank Ease of Doing Business Index and 29th in the Index of Economic Freedom. Simultaneously, the government was able to reform administration and strengthen state capacity to enforce neoliberal reforms. Following the revolution, Georgia emerged as the only country in the post-Soviet region which managed to radically transform its formal institutional design and reduce corruption rates (Shelley *et al.*, 2013). Georgia scores twice as high as any other (non-Baltic) former Soviet republic (and many other poor developing countries) on indicators such as “corruption control”, “rule of law”, “regulatory quality” and “government effectiveness”, according to World Bank data on the quality of governance. Moreover, from being one of the most corrupt countries in 2002 (124th of 133 countries), Georgia became one of the least corrupt states in the post-Soviet region, sometimes surpassing the performance of some EU member states (64th of 188 countries) (Engvall, 2012).

There are several interrelated reasons why tightened control of public space, restrictions on the commercial use of public space and the subsequent dispossession of petty traders were part of, and a necessary condition for, the process of enabling neoliberal marketisation in Georgia. First and foremost, dispossession of petty traders from their accustomed vending sites became necessary, as some sites were the subject of privatisation. For the post-revolutionary Georgian government, privatisation of state owned land and property was a key strategy for attracting foreign direct investment and raising revenues: “During the process of privatisation the primary accent was placed on fiscal effect, i.e. the accumulation of budget revenues via privatisation. One of the key effects of this was to increase the inflow and growth of foreign direct investment, as this derived from the purchase and further operation of objects of privatisation. From the macroeconomic viewpoint, privatisation and the associated inflow of foreign direct investment played an important role in both GDP growth and the growth of the state budget” (Liberal Academy, Tbilisi, 2012, p. 7). This active or “aggressive” (Gujaraidze, 2014) privatisation of urban state-owned land and property included the enclosure of parks, public underground passageways and open-air marketplaces. Thus, the dispossession of traders from their previous vending sites was a by-product or an unintended consequence of the intensive privatisation process in the city. However, the state also restricted trade in public spaces and state owned property which were not targeted for privatisation. The question is why the government would evict traders from those spaces that were not to be privatised.

For a government so dependent on revenues derived from the privatisation process it was important to support the creation of property markets and ensure that the value of urban property rose. Control as well as redevelopment of public space became a means for accomplishing this goal, and one of the drivers of accumulation. As Mitchell and Staeheli argue, “Under capitalism private property implies a further set of relations. As a fungible, delineated thing, its use value is, to a large extent, equivalent with its exchange value. The purpose of owning property is to have it increase in value [...]. In a city, private property – and the values it contains – is necessarily determined

in part, by the practices, laws, and meanings that determine the use of public property” (Mitchell and Staeheli, 2006, p. 149). Hence, from the perspective of Mitchell and Staeheli, the politics of public space is tightly tied to property relations. For capitalist accumulation, and more specifically to ensure property values increase, it is necessary that, first of all, property can be commodified, which requires the delineation of public and private property and the establishment of the institution of private property. Second, the value of private property will at least partially depend on the way public space is controlled and managed, as it needs to satisfy the interests and tastes of potential investors, owners and residents.

For the Georgian government it was necessary to locate commercial activities away from public space in the private sector in order to enforce the functional division between public and private property and enable the commodification of urban land. If a majority of urban land continued to be used for private commercial purposes under unclear/informal ownership, its liquidity would remain restricted, and it would be impossible to subject private urban land to the self-regulating principle of supply and demand. If public space/property was used as if it was private property, than the demand for private property would not be reflected in property prices. In this sense, controlling public space and restricting its commercial use lies at the very heart of a market economy that depends on the commodification of land and other fictitious commodities for capital accumulation. Moreover, as petty traders, like other marginalised groups present in public space, were associated with poverty, lack of order and hygiene, they undermined the government’s attempts to make various districts and locations more attractive for investment. Therefore, “aesthetic offence” (in Manning’s words) which the state perceived in the economic activities of marginal actors was not simply a matter of aesthetics, but was also related to the redesign of economic institutions. In turn, the new Western style aesthetics that the government was trying to impose was not only a political, but also an economic project, aimed at facilitating the commodification of urban land and increasing property values.

Thus, the attack on petty traders does not seem so counterintuitive after all. Rather, this action, and the attempt to free public space from commercial activities as well as “unwanted residents”, was a necessary condition for pursuing neoliberal marketisation policies. If anything, the Georgian case confirms Smith and Low’s argument that controlling public space is an inseparable part of neoliberal strategies (Low and Smith, 2006). Neither in Georgia nor elsewhere are semi-formal bottom-up petty commodity markets valued and supported by neoliberal policies. Instead of supporting dispersed economic practices of low profitability, neoliberal policies aim at steady accumulation, which is better accomplished by the aggressive commodification of urban land and property. Disposal of marginal actors is a precondition as well as a by-product of this strategy.

Tactics of the vendors

For the Georgian government, restriction of the commercial use of public space and the eviction of petty traders was strategically important for the commodification of urban land and thus for supporting neoliberal marketisation policies. According to De Certeau, a strategy is “the calculation (or manipulation) of power relationships that becomes possible as soon as a subject with will and power (a business, and army, a city, a scientific institution) can be isolated. It postulates a place that can be delimited as its own and serve as the base from which relations with an exteriority composed of targets or threats (customers or competitors, enemies, the country surrounding the city, objective and objects of research, etc.) can be managed” (Certeau, 1984, pp. 35-36).

In relation to the government's strategies, petty traders were placed as targets as well as threats. They did not fit into the government's political project of emphasising Georgia's Europeanness, as they were a reminder of poverty, misery and disorder, as well as standing in the way of urban land commodification.

Despite the huge social economic and psychological costs which the government's strategies imposed on traders, they did not become entirely demoralised, and even managed to contest and subvert these strategies. Traders, particularly illegal street vendors, devised diverse tactics to resist and even subvert the government's policies. Again, De Certeau's definition of tactic is important here: "A tactic is a calculated action determined by the absence of a proper locus [...]. The space of a tactic is the space of the other. Thus, it must play on and with a terrain imposed on it and organized by the law of a foreign power [...] it is a maneuver 'within the enemy's field of vision'" (Certeau, 1984, p. 37).

Before describing vendors' tactics it is necessary to explain why the traders needed to rely on subversive tactics instead of legalising their trade. After all, the neoliberal changes were supposed to be business friendly, taxes and regulations were reduced, bureaucratic corruption and the influence of criminal/mafia racketeers was removed. According to a large part of the existing literature on informal economies, these types of changes should enable informal traders to formalise their economic activities (Schneider *et al.*, 2010; Schneider, 2006; Piculescu and Hibbs, 2005; Johnson *et al.*, 1998; Loayza, 1999; De Soto, 1989, 2000). In contrast to expectations that the reduction of state regulations and taxes coupled with improved state capacity creates better opportunities for small entrepreneurs, a majority of petty traders did not benefit from these changes. The central reason for the inability of the traders to locate their activities on privately owned land and property was the increase and volatility of property and rental prices.

The only viable legal solution for vendors and traders who had previously operated informally was to rent a place inside privately owned marketplaces. But at the beginning of the process the number of persons engaged in petty trade greatly exceeded the supply of available places inside the markets. State owned markets had now been privatised, and all willing investors were encouraged to open private marketplaces to accommodate vendors. As the government was punishing illegal vending, demand for pitches in the marketplace increased. Because of this vast demand, market owners were able to raise rents, which on balance created a situation in which only traders with a large turnover could afford to trade in the marketplace. On the one hand, the state never attempted to regulate rents; on the other hand, renting a place inside the market did not require any long-term contract between traders and owners, which resulted in extreme volatility of marketplace rents. Additionally, while it was very easy to open a new grocery market or a small shopping mall, it was an unpredictable business. This meant that new marketplace owners sometimes closed their businesses down after only a few months. This was very costly for traders, as they were left in debt after the marketplaces had closed down. Because of this, during 2006-2010, the majority of traders attempted to secure a place in the markets, but many of them failed. In consequence, two groups of petty traders emerged – those who had managed to gain accommodation in privately owned marketplaces (legal traders) and the remainder, who became illegal street vendors. Overall, both groups resisted change and reported lower incomes and worse working conditions.

As rents were increasing, public space became vitally important for those traders who could not afford to pay market prices for rent. For them, illegal vending was a

solution of last resort. Illegal vendors, predominantly women over 40 and sometimes reaching into their 80s, often with family members to support, had minimal resources to invest in tradable goods. Even if illegality was risky, time consuming and labour intensive, as illegal vendors often had to work over ten hours a day and had to move around the city carrying their goods in bags and baskets, their returns were too marginal to afford to pay rent for a pitch at a private marketplace. Thus, the process of commodification and privatisation had the most profound social and economic consequences for illegal vendors.

The non-economic costs of the process were arguably even more challenging than the economic costs. First, and most importantly, multiple dislocation and instability broke down social safety nets and sometimes isolated members of tied social networks spatially. Second, traders had to face the deterioration of their image. By making trade in public spaces illegal, the state also undermined the social legitimacy of the activity. This resulted in what Tarrow would call “framing contests” (Tarrow, 1998), in which the state – more specifically state enforcing agents – tried to portray the traders as disobedient citizens. To counterweight negative prejudices, traders, especially illegal vendors, had to justify their choices and rehabilitate their image. The first thing traders would tell a potential customer was that they did not sell short weight and that their products were not rotten or old. And lastly, the process of marketisation challenged traders’ perception of their rights and entitlements. For more than a decade, traders had perceived vending as their right, as the only “honest way of earning money” they could pursue (in contrast to prostitution or stealing). For them, unlimited, communal access to public space was a right that they could claim as citizens of Georgia. As vendors often underlined, it was striking that they were punished for using a piece of land to earn money in their own country. This way, the right to public property was reclaimed by evoking the concept of nationality. For vendors it seemed paradoxical that in independent Georgia citizens still had no right to their “own” land. The division between public and private spheres and property remained an alien concept, thus the state’s attempts to enforce this division were perceived as a direct attack on the group of traders.

The fact, that marketisation entails social costs has been numerously articulated in the academic literature. From the Polanyian perspective, marketisation needs to be pursued carefully so that a society has time to adjust and institutions for social protection are put in place (Polanyi, 1944/1957). While social discontent with the changes was apparent in Georgia, the Georgian government neglected the necessity of establishing institutions for social protection that could ease the marketisation process (Baumann, 2012; Gugushvili, 2013; UNICEF Georgia, 2009). A lack of labour regulation and labour policies, as well as the extreme weakness of overall welfare provisioning, contributed to deepening economic inequality and the persistence of extreme poverty in the country. In this context, street vendors who could not adjust to the new market rules had no chance to rely on state provided social support. As one of the vendors, a mother of an eight-year old disabled child, explained: “you [the state] do not give me social aid, you do not let me work, and you even take away my only means of survival”. She explained how expensive and hard it is to take care of a disabled child, buy medicine and take him to a special school if nobody provides any support. In order for her to work, her 20 year-old daughter always had to stay home to take care of her brother. In the context where renting a place inside the marketplaces was unaffordable and social support was absent, the vendor found no justification for her right to vend being restricted. In other words, illegal street vendors, as a socially and economically vulnerable group in Georgian society, were forsaken by both the

state and the market. This is why vendors devised practices that were opposed to and subversive of the state-imposed regulations as well as the new market order. They refused to accept the process of commodification of urban public land and tried to continue using public space for commercial, income generating activities.

Protest and disobedience

In the early stages of the conflict, traders tried to voice their concerns and engage in dialogue with the government. Between 2004 and the end of 2010, vendors mobilised in an ad hoc manner, protesting against the government's decision, demanding the legalisation of street vending. In response, the government made temporary concessions. As soon as the vendors' mobilisation weakened, the city authorities renewed the pressure and drove the vendors out of the vending sites. In 2008, vendors responded by changing their mobilisation tactics from ad hoc to institutionalised mobilisation, establishing the Street Vendors' League. This body both coordinated the protests and worked on legislative initiatives to reclaim the right to vend. However, the authorities dismissed the project without even making an effort to discuss it in detail. In this way, vendors were denied participation in the decision-making process.

By the end of 2010 it seemed that the vendors' struggles had been defeated, and the vending of the pre-revolutionary period had largely vanished. However, closer observation reveals that, rather than vanishing, vending had changed in form – it was still present but was less visible. To illustrate the change I will refer to a debate about vending between a young couple which I witnessed when I was first embarking on my fieldwork. I was discussing my research with a young government official who advised me to stop studying street vending as there were no more street vendors in Georgia. He told me that I could see this for myself if I walked around the city. His wife immediately got involved in the discussion, contending that she could see even more street vendors on the streets than before; according to her, there were vendors on each street in every corner, with their small baskets, walking around or resting in the shadows.

The explanation for these contradictory perceptions relates to changes in the vendors' tactics that made them almost invisible compared to the pre-revolutionary period. While some of those who had been vending on the streets previously moved to privately owned marketplaces after the government started exerting pressure, numerous vendors continued vending on the streets. They did not move their trade inside the privately owned marketplaces, despite the high costs associated with vending illegally. An illegal vendor had to pay 20 GEL when fined the first time, rising to 100 GEL (approximately 50 euro) the second time. As some of vendors earned only five to eight GEL a day the stipulated fines were very difficult to pay, hence often they would not show their identity cards in order to avoid the penalty. However, in this case, supervisors had the right to confiscate the vendor's goods without issuing an official fine. While neither policemen nor city hall supervisors accepted bribes nor gave favourable treatment to particular vendors, they often misused or exceeded their powers and sometimes behaved in ways which the law did not allow. They often used violence to confiscate goods, and attacked vendors verbally and physically.

Vendors used various tactics to evade the control of the police and the city hall supervisors assigned to control them in the years 2010-2012. First, instead of gathering together around stable vending spots near metro stations and bazaars, many vendors scattered around the city. Some completely changed their vending locations, while others tried to find hidden spots or sheltered in narrow streets near their previous trading location. Second, as the law banned vending on publicly owned land, while privately owned land

could be used for commercial activities, vendors started negotiating with property owners on an individual basis for permission to vend on their property. In some cases, property owners would allow vendors to use building entrances and yards without charge out of compassion. In exceptional cases, security guards in shopping malls or grocery marketplaces allowed particularly needy and aged vendors to stand inside the area under their supervision without asking for rent. Third, vendors increased their mobility by building mobile stalls on wheels or simply carrying handbags and baskets and walking around the streets to escape the police and supervisors. Fourth, those who decided to stay close to shopping malls, metro stations and bazaars – the areas under the strictest scrutiny – organised in groups and warned each other when the police or city hall supervisors came near, gathering up their goods and hiding themselves until the supervisors had left, when they would return. Lastly, vendors would sometimes explicitly, but more often implicitly, negotiate terms of vending with agents of the state – city hall supervisors and the police – so that the latter showed greater tolerance to illegal vending. State agents were impossible to bribe and were instructed to treat the vendors harshly. However, over time relationships between vendors and state agents became increasingly personalised. This personalisation of relations allowed vendors to evoke moral categories that emphasised that state agents are humans first of all, respectful of other humans (and particularly elderly ladies), and only after that are they professionals. In their turn, state agents became increasingly aware of the social problems of vendors. Thus, over time state agents loosened their enforcement and increasingly tolerated the vendors' ways of bending the rules.

In combination, these diverse tactics of disobedience were directed against state regulations on the one hand and against marketisation, primarily the commodification of urban land, on the other. Vendors who continued vending illegally undermined the land commodification process in two senses. First, they continued using public land for trade, thus subverting the division between public and private property. The very act of using the land without owning it or paying for it was a rejection of the view of land as a commodity. Besides, this action disrupted the self-regulation of the demand and supply mechanism as real demand for private land was not fully realised in the market realm, but was instead externalised through the illegal use of public resources. Second, illegal vendors not only resisted the commodification of public land, but also the commodification of privately owned land. When vendors failed to rent a place inside a privately owned marketplace, they often successfully negotiated access to private gardens and building entrances with the owners of land and property. In these cases, vendors' access to private property, far from being defined according to the market price of rent, was defined by vendors' networks, negotiation skills or owners' compassion for and solidarity with vendors.

With the change of government in 2012, responsibility for the control of vendors was removed from the city hall supervisors' unit and returned to the police. With this relative relaxation of control, vendors started reoccupying public spaces, or as Asef Bayat would describe the process, they "silently encroached" (Bayat, 1997) on the sidewalks, parks and territories of nearby metro stations and bazaars. As the city has transformed considerably over the last ten years and overall state enforcement capacity is now higher, it should not be expected that Tbilisi will return to its pre-revolutionary state and experience an uncontrolled expansion of "kiosk" trade. But vendors are slowly, less visibly, but consistently returning and occupying public spaces.

Conclusions

This paper has attempted to critically examine the reasons behind a decade long contestation between the Georgian government and petty traders over access to public

space for commercial use. Bridging the critical literature on the politics of public space (Low and Smith, 2006; Mitchell and Staeheli, 2006) with Polanyi's theory of commodification of fictitious commodities (land, labour and money) as a precondition for the establishment of a market economy, I have argued that for the Georgian government, control of public space was necessary in order to pursue neoliberal marketisation policies. These policies required the removal of street vendors from public spaces, first because some of the sites previously occupied by petty traders were subjected to privatisation and second, and more importantly, because the state needed to restrict access to public space as a free/unlimited productive resource and limit its commercial use to delineate public and private property and allow commodification of urban land and property.

For petty traders, access to public space for income generating activities became even more valuable as commodification intensified and rents began to increase and fluctuate. Primarily those petty traders who failed to find legal ways to continue trading, and thus became illegal street vendors, devised diverse tactics to retain access to public space. For some time they tried to protest against the state-imposed changes and even drafted a legislative initiative to legalise street vending. However, as the vendors' mobilisation was dismissed by the authorities, vendors relied on tactics that made them less visible – they scattered throughout the city, moved onto back streets and underground passageways and became more flexible and mobile.

The case of Georgian street vendors indicates the limits on both the strategies of the state and the tactics of the vendors. On the one hand, even if vendors' tactics were subversive and could be understood as resistance or a countermovement to marketisation in the Polanyian sense, they were nevertheless, as Certeau reminds us, manoeuvres "within the enemy's field of vision" (Certeau, 1984, p. 37). Hence, it was the government's strategy to discourage the mobilisation of vendors and make them more and more invisible, while vendors tried to use their invisibility to their own advantage as far as possible. Despite their diverse and creative approaches to manoeuvring in the space delimited for them, invisibility and silencing only enhanced the social and economic vulnerability of the vendors. On the other hand, this struggle also underlines the limits to the exclusive strategies of those in power. As long as access to public space continues to be crucial for the income generating activities of numerous socially vulnerable individuals and households left without social support, these groups and individuals will continue to subvert state regulations and the imperative of marketisation through their daily practices. The slow recovery and revival of illegal street vending in Tbilisi since the change of government only confirms that spontaneous resistance will not fade away as long as the neoliberal marketisation process deepens and institutions for social protection remain non-institutionalised.

Notes

1. In 2003, the opposition mobilised against the Georgian government led by Eduard Shevardnadze, a former Soviet minister of foreign affairs who had served as the President of Independent Georgia since 1995. This massive mobilisation ultimately led to the electoral revolution known as the "Rose Revolution", when president Shevardnadze resigned and a reformist government was formed.
2. A resource being used as commons does not imply that there are no rules concerning the use of and access to the resource. The fact that a resource is not commodified does not mean that access will be fair or non-exclusive.

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