

**PARTICIPATORY APPROACHES TO RURAL DEVELOPMENT IN MOUNTAINOUS
GEORGIA: A CASE STUDY OF KHULO MUNICIPALITY**

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Abstract

This study investigates the practices of participatory rural development in Khulo Municipality, focusing on livelihood transformation through Local Action Group (LAG) roles and the "Women's Room." Despite efforts to foster community-driven development, challenges persist, including limited institutional capacity, sectoral bias in economic programs, center-periphery division, and infrastructural and information spread deficits that hinder participation, particularly for marginalized groups. The research highlights barriers such as insufficient information dissemination, skepticism toward municipal initiatives, and weak implementation of decentralization policies. However, it also emphasizes the potential of participatory mechanisms to enhance inclusivity, promote collaboration, and empower local communities. Strengthening institutional frameworks, investing in infrastructure, and improving outreach can transform Khulo into a sustainable rural mountain development model, showcasing how participatory approaches can address socio-economic vulnerabilities in mountainous regions.

Keywords: Participatory Rural Development; Local Action Groups (LAG); Livelihood Transformation; Sustainable Development; Mountainous Regions; Georgia

Introduction

Georgia, located in the South Caucasus region, is predominantly mountainous, with 54% of its territory at elevations exceeding 1,000 meters. Historically, highland populations relied on agriculture and livestock farming for their livelihoods (Elizbarashvili et al., 2024). However, living standards in the mountains have always lagged behind those of the lowlands and urban areas (World Bank, 2014. Pp. 10-11). The situation deteriorated further after the collapse of the Soviet Union in 1991. Georgia, especially during the first decade of independence, suffered from serious socio-economic and political challenges, including ethno political conflicts, foreign military aggression, economic hardship, and societal instability. While these challenges affected the nation as a whole, they were particularly pronounced in the country's mountainous regions, where depopulation and environmental degradation were compounded by high unemployment, limited infrastructure, and high rates of poverty (Elizbarashvili et al., 2024; Keggenhoff et al., 2015). The collapse of traditional key markets, poor living conditions, and limited access to communications exacerbated the existing problems (Salukvadze, 2020. p. 3). The land reforms of the 1990s which aimed at establishing a free land market through privatization of formerly collective agricultural land, led to fragmented land ownership, reinforcing subsistence-based economies and limiting opportunities for economic diversification (Salukvadze, 2020). These factors, combined with weak economic linkages between sectors like agriculture and tourism, have contributed to significant out-migration, and declining economic activity in highland settlements (Gugushvili et al., 2017).

Recognizing the challenges of mountainous regions, the Georgian government has undertaken several legal and policy measures to improve the situation. In 2015, the Georgian

"Law on the Development of Mountainous Regions" was adopted, which introduced social and economic measures to support mountain populations, aimed at preventing mass outmigration, providing incentives for local economic activities, and strengthening social aid. The government also created complementary strategies, such as the Agriculture and Rural Development Strategy (2021-2027), and Development Strategy of High Mountain Regions (2019-2023), emphasizing economic diversification, particularly fostering niche product development based on regional, natural and cultural assets (Khartishvili et al., 2019), infrastructure development, and participatory governance (The Ministry of Environmental Protection and Agriculture of Georgia, 2022).

Georgia adopted the "Local Government Code" (2014) to promote participatory community-based development, which aimed to decentralize and empower local governance. The Code enables the formation of obligatory advisory boards to enhance participatory decision-making and promote community-driven development initiatives. These provisions align with the shared commitment between the EU and Georgia outlined in "The Association Agreement between the European Union and Georgia (2014-2020)", which has been fully implemented since 2016. The Agreement emphasizes the need to "promote sustainable rural development policies" and "enhance the capacity of local authorities and communities to participate in decision-making processes" (European Union, article 10, chapter 332, 2014).

Within this regulatory framework, Georgia's mountain regions have received targeted programs supported by international organizations and donor agencies, focusing on economic diversification, infrastructure improvement, and community resilience through participatory and inclusive strategies. Programs such as the EU-funded ENPARD (European Neighbourhood Programme for Agriculture and Rural Development) have facilitated the establishment of Local

Action Groups (LAGs), promoting community-driven development through participatory planning (Chitaia et al., 2020). Additional initiatives by organizations such as the United Nations Development Programme (UNDP) and USAID focus on enhancing local capacities and improving socio-economic conditions. These efforts are particularly crucial in fostering resilience of livelihood transformation among mountain communities, where economic diversification remains limited. Many of these programs emphasize skill development, infrastructure improvements, and financial support mechanisms that enable local households to transition from reliance on low-productivity agriculture to more diversified economic activities. Livelihood transformation is a process of structural economic change, in which individuals and communities shift from traditional subsistence activities toward diversified and resilient income-generating strategies (Scoones, 2015).

This paper explores the significance of participation in mountain community development and identifies the role of household participation in transforming household-based economic activities in mountain areas.

The study uses the mountainous Khulo municipality as a case study, examining how local households utilize grant opportunities funded by local and international economic programs as agents of transformation. Specifically, this research investigates how participatory mechanisms, the Local Action Group (LAG) and the "Women's Room," influence livelihood outcomes, and what systemic barriers constrain their effectiveness.

The study addresses three main questions: (1) what factors influence rural households' awareness of and participation in economic development programs? (2) How do participatory practices shape program implementation and livelihood transformation? (3) How do rural households perceive these initiatives, and what governance challenges hinder their effectiveness?

We argue that while these participatory institutions have successfully introduced new platforms for engagement, their transformative potential remains constrained by sectoral bias, infrastructural deficits, and centralized decision-making.

Theoretical Framework: Participatory approaches in rural mountain development

The UN Food and Agriculture Organization reports (FAO, 2011) that, globally, mountain communities frequently lack political representation and are marginalized in policy and development planning. Development initiatives in these areas are frequently driven by external stakeholders and often fail to incorporate the perspectives and needs of local populations (FAO, 2011, p.23).

Participation is a cornerstone of sustainable rural development. In practical terms, participation is the process through which individuals and groups influence and share control over development initiatives and decisions affecting their lives (World Bank, 1996).

Participation can occur from minimal involvement, such as information sharing, to full empowerment, where stakeholders gain decision-making authority. At its most effective, participatory approaches involve collaboration and shared responsibility among governments, local communities, NGOs, and private entities. This engagement builds local capacity and strengthens governance structures, that are essential for long-term success in rural mountain development (Cornwall, 2002).

This study employs Arnstein's (1969) Ladder of Citizen Participation as its primary theoretical lens to analyze the quality and effectiveness of participatory governance in Khulo Municipality's rural development programs. Arnstein's framework distinguishes between authentic citizen power and what she terms "empty ritual" participation, offering an eight-rung

typology that ranges from manipulation to citizen control (Arnstein, 1969, p. 216) This theoretical approach is particularly relevant for examining Khulo's participatory mechanisms, because it moves beyond measuring participation as simple presence or attendance to evaluating whether citizens possess genuine power to influence decisions and resource allocation (Cornwall, 2008; Titter & McCallum, 2006).

Arnstein's ladder comprises three broad categories. The bottom rungs (1-2: Manipulation and Therapy) represent non-participation, where the objective is not to enable people to participate but to "educate" them. The middle rungs (3-5: Informing, Consultation, and Placation) constitute tokenism - citizens may hear and be heard, but they lack the power to ensure their views will be heeded by those in authority. The top rungs (6-8: Partnership, Delegated Power, and Citizen Control) represent degrees of citizen power, where participants have increasing degrees of decision-making influence and managerial authority (Arnstein, 1969). As Arnstein emphasizes, "participation without redistribution of power is an empty and frustrating process for the powerless" (1969, p. 217).

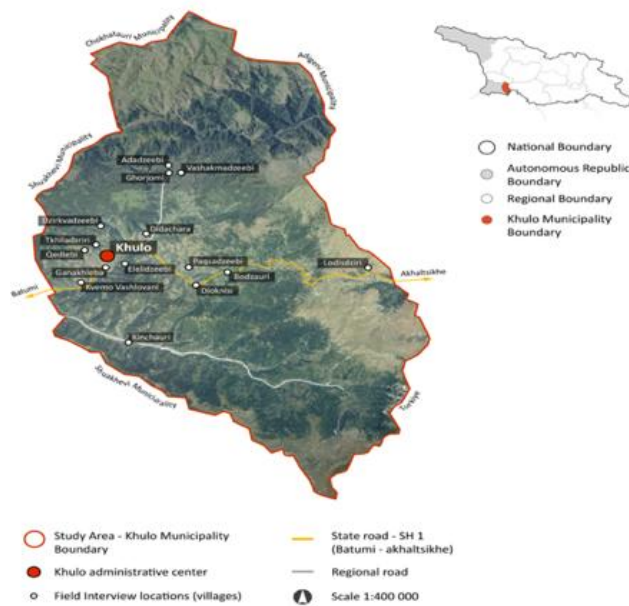
The theoretical significance of this framework lies in its ability to differentiate between "participation as attendance" and "participation as power"-a distinction that proves critical in contexts where participatory structures exist formally but may not translate into substantive influence over development outcomes.

Several studies highlight aspects of participatory planning relevant to Georgia's rural mountain regions (Gugushvili et al., 2017; Khartishvili et al., 2019; Khartishvili et al., 2020). They outline the following issues: (i) Incorporating indigenous knowledge and local practices into planning processes can enhance the relevance and acceptance of development initiatives. (ii) Participation fosters a sense of ownership among communities, leading to better maintenance

and sustainability of policy projects). (iii) Limited awareness, capacity constraints, and power imbalances often hinder effective participation, particularly among marginalized groups such as women, displaced persons, and ethnic minorities.

In Georgia, the application of participatory planning, mainly through the LEADER approach, has demonstrated the potential to address the unique challenges of mountainous regions. However, limited research explores how gender, ethnicity, and socioeconomic status intersect to influence participation and development outcomes.

Figure 1. Study Area and Field Interview Locations in Khulo Municipality



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The map illustrates the study area within Khulo Municipality, located in the Autonomous Republic of Adjara, Georgia. It highlights the Khulo administrative center, key villages where field interviews were conducted, and the main transportation routes including the Batumi-Akhalsikhe state road (SH 1) and regional roads. . The purpose of the map is to show that

interviews were carried out both in the municipal center and in peripheral villages, including those located far from the center.

Research Design and Methodology

This case study was carried out between 2022 and 2023 in the highland region of Khulo Municipality, Adjara (western Georgia; 41.6545° N, 42.4104° E). Khulo is a sparsely populated mountain municipality with a total population of 16,500 (GeoStat, 2025), spread across remote settlements characterized by limited accessibility and seasonal out-migration.

The municipality operated with an annual budget of 18,636,059 GEL in 2022 and 22,570,000 GEL in 2023. Among a few other settlements in Georgia, Khulo has been the focus of several rural development initiatives to improve employment and living conditions through diversifying the rural economy and promoting community empowerment.

This study explores the roles and participation of households in transforming household-based economic activities in Khulo municipality. It examines their role as agents of transformation. The target group is households operating in Khulo Municipality that have utilized various grant opportunities at least once, funded by local or international economic programs.

The research seeks to:

- analyze both awareness levels and participatory practices among rural households, regarding state and municipal economic programs in Khulo municipality.
- examine rural households' perspectives on state and municipal economic programs and their role in diversifying and adapting local livelihood practices in Khulo municipality.

Three groups of interrelated research questions guide this study:

1. What factors influence rural households' awareness of and participation in economic development programs in Khulo Municipality? How is program information disseminated to communities and how does this impact the transformation of livelihoods?
2. How do participatory practices shape program implementation and decision-making? How does participatory planning affect livelihood transformation?
3. How do rural households perceive state and municipal economic initiatives? What challenges and opportunities exist in program governance? To what extent do current programs address local needs?

Using a qualitative approach, we conducted 30 semi-structured, in-depth interviews with households from villages in Khulo Municipality, including Shuasopeli, Didi Achara, Khulo, Satsikhuri, Kvemo Pashlo Tsani, Tsabliani, and Keda (see Fig. 1).

Purposive sampling was employed to ensure representation across key dimensions: geographic distribution, gender (with a deliberate effort to include female household representatives), economic sectors (agriculture, tourism, handicrafts, services), and LAG/Women's Room participation status. While this sampling strategy facilitated in-depth exploration of beneficiary experiences, it necessarily limits generalizability to non-beneficiary households.

Silver and Lewins argue that the semi-structured format allowed interviewers to adapt questions and probe deeper into emerging themes. Each interview lasted an average of 45 minutes, ensuring adequate time to explore participants' experiences and perceptions (Silver et al., 2014, p.28).

Households were selected as beneficiaries of grant programs, such as Enterprise Georgia and those organized by the Khulo Local Action Group (LAG). The selection process was based on geographic location and the type of economic activity supported by these grants.

Silver and Lewins (2014) described thematic analysis, which was employed to analyze the qualitative data collected. This method allowed for the identification and interpretation of key themes related to the research aims, such as awareness, participation, and attitudes toward economic programs. MAXQDA software was used for systematic data coding, organization, and categorization. Informants were informed about the purpose of the study and their rights to anonymity and voluntary participation. To ensure the validity of findings and fully address the research questions, this study employed a triangulation of data sources. While primary data were gathered through fieldwork, this was complemented by a systematic review of existing secondary data.

Study Outcomes

Khulo Municipality traditionally heavily relies on rural livelihoods, with agriculture as the primary economic activity. Key crops include potatoes, corn, beans, and vegetables, which thrive in cool, high-altitude climates (Putkaradze & Abuselidze, 2022). Livestock farming, including cattle, sheep, and goats, is also prevalent (Elizbarashvili et al., 2024). Labor migration significantly impacts the local economy, as many residents work seasonally or permanently in Batumi and Tbilisi in the construction, hospitality, and retail sectors.

The sustainable livelihoods framework highlights human, physical, financial, natural, and social capital as critical for effective rural development (Bennett & Dearden, 2014; Scoones, 1998). Additionally, the framework emphasizes local community participation as an umbrella for

implementing the adaptation and diversification of livelihood strategies for rural households. Georgia's rural development policies call for a shift from an agricultural focus to a broader economic framework. In this context, local population participation is recognized as one of the key cornerstones of positive change. The Agriculture and Rural Development Strategy (2021-2027), developed by the Georgian Ministry of Environmental Protection and Agriculture with support from ENPARD, FAO, and UNDP, emphasizes the necessity of local community participation in economic diversification and sustainable livelihood strategies.

However, marginalized groups, such as women and economically disadvantaged households, often face barriers to participation, which limits equity in program outcomes. In Khulo, citizen engagement remains low; access to public information is at only 23%, citizen participation at 27%, and transparency in advisory council meetings at 30%. These findings underscore the need for improved participatory mechanisms and bottom-up initiatives to enhance transparency and inclusiveness in Khulo's local governance (Local Self-Government Index (2023, p.45).

The literature on participatory development emphasizes that effective information dissemination requires multi-channel approaches that accommodate diverse literacy levels, technological capabilities, and geographic contexts (Reed, 2008). Our findings demonstrate that while LAGs face-to-face engagement partially addresses these requirements, structural barriers, inadequate digital infrastructure, limited municipal communication capacity, and social isolation of marginalized households continue to prevent fully inclusive participation. This linked to Cornwall's (2002) observation that participation is shaped not merely by institutional design but by underlying power relations and resource accessibility. The literature on development in mountainous regions emphasizes that geographic accessibility is not merely a logistical

challenge but a fundamental determinant of economic opportunity and social inclusion (FAO, 2011). Our findings demonstrate how distance penalties disproportionately affect women, elderly residents, and households in remote villages. Informants' skepticism towards municipal governance reflects historical legacies of centralized, top-down decision-making. Decades of Soviet-era collectivization and post-independence political instability have cultivated widespread distrust of public institutions throughout Georgia. Our data suggest that while LAGs and the "Women's Room" have made progress in building trust through direct engagement and grant provision, broader skepticism persists, particularly regarding the municipality's financial capacity and political will to address fundamental infrastructure deficits.

Agencies fostering participation: Khulo LAG and Women's Room

Local Action Groups (LAGs) and the municipal resource center known as the "Women's Room" foster and support participatory practices in Khulo Municipality. Our study examines the extent and limitations of household participation in economic programs implemented by both the local municipality and international organizations, with facilitation by these two agencies.

The study's informants, 30 in all, were systematically selected from beneficiaries of various grant programs, including those funded by Enterprise Georgia and LAG initiatives. Some informants are LAG members or beneficiaries of LAG-funded programs, while others received support through the "Women's Room." Notably, several informants had prior experience of participation in municipal-level socioeconomic activities through Amagi (meaning "Care" in English), a local citizens' association established by the municipality before Khulo LAG's formation. Amagi operated as a voluntary group aimed at enhancing citizen participation in

decision-making processes, demonstrating that participatory practices in Khulo Municipality predated the establishment of LAGs.

Khulo Local Action Group (LAG)

The study highlighted LAGs' significant role in local participation and economic empowerment of the population. The Khulo Local Action Group (LAG) was established in 2018 as part of the "Promotion of Rural Development and Diversification in Khulo Municipality" project. This initiative was implemented by Caritas Czech Republic in Georgia (CCRG) with EU financial support through the ENPARD program, aiming to enhance participatory governance and foster economic development in Khulo Municipality. The LAG's board comprises representatives from civil society organizations (CSOs), Khulo Municipality, and other stakeholders to ensure balanced decision-making and effective governance. Since its establishment, the LAG has provided grants and resources to support livelihoods and local businesses in agriculture, tourism, and environmental sustainability. Our study informants indicated that LAG facilitates active involvement of youth and women in economic and decision-making activities. As a participatory governance model, Khulo LAG strives to empower local communities to influence development decisions and ensure programs address their needs. While progress has been made, increasing inclusivity and awareness remains essential for LAGs' continued success and long-term impact.

Most households in our study were familiar with LAGs. The research identified five key aspects of LAGs' function and impact on the local community. First, it serves as a primary source of information about various economic programs available in the municipality. Second, it conducts capacity building, helping community members develop essential skills such as project writing and budgeting. Third, it enables access to funding by providing households with

opportunities for financial support. Fourth, LAGs act as an advocacy platform, frequently using informants to communicate their needs to the local municipality. Fifth, it conducts needs assessments, with LAG members actively discussing and identifying household needs through village visits, to ensure inclusivity.

One informant emphasized the significant role LAGs played when they were first introduced:

“The existence of LAGs was a breakthrough at the time. It was the first source of support after our disappointment with bank loans. We couldn’t believe someone could offer funding without repayment - it was a gift, and we learned about it through LAGs.” (Woman, age 42, tourism sector, Vashlovani village, Khulo).

The Khulo Local Action Group (LAG) provided local residents with the opportunity to participate in the Local Development Strategy (LDS), which outlined critical areas for growth. These include rural tourism, agriculture, communal and social infrastructure, cultural preservation, healthcare, education, and environmental sustainability. The strategy aims to address pressing challenges by identifying these priorities while utilizing local assets.

Several informants noted that most people in Khulo know LAGs, describing them as a primary source of updates on local developments, municipal meetings, and public discussions. Some respondents highlighted that LAGs are very active and their efforts reach not only the municipal center but also remote villages. Below, is the response of one respondent:

“Everyone in Khulo knows about LAGs because they’re involved in everything. You can’t avoid them - they find you, even in the villages, to ask what kind of grant you’d like to apply for.” (Man, age 36, retail, Khulo town).

Additionally, it is interesting to note that most informants consider and link LAGs as one of the primary sources of grants and their economic transformation, as they have created financial and social capital.

Participation in LAGs has also inspired community members to establish their local initiative groups. For example, one respondent mentioned creating a village-based group in Ghorjomi village to advocate for specific needs with the municipality. A LAG is a practical tool for simplifying communication between households and the municipality, particularly for addressing infrastructure and economic issues. Several participants shared examples of how LAGs helped resolve problems related to water supply and road maintenance (for example, in Diakvnisi village).

However, alongside satisfaction with LAG activities, some respondents also expressed certain criticisms. For instance, some informants argued that LAGs primarily engage active residents, leaving marginalized groups underserved. They believe that LAGs should place greater emphasis on including vulnerable populations in their programs:

“I’m not sure if it’s their responsibility - maybe it’s more the job of the Khulo Municipality - but if they have funding, they should focus on those in real need, those who have no one to rely on and lack the knowledge to participate.” (Woman, age 41, Kedlebi village).

LAGs face a certain level of instability, largely stemming from their limited financial resources. They heavily rely on external funding, which directly impacts their level of activity. This dependency creates a constant risk of inactivity during periods without funding, potentially causing LAGs to lose their connections, visibility, and influence.

The study shows that evaluations of LAGs, both critical and positive, by local citizens are influenced by the expectations associated with them. There is clear evidence that many local

households are willing to engage in participatory practices. However, their critiques focus on LAGs' limited financial capacity, insufficient geographical outreach - meaning that several peripheral settlements remain uncovered - and, in some cases, there are complicated procedures that some locals find off-putting.

The "Women's Room"

When discussing inclusive participation in economic programs and rural transformation in general, it is essential to highlight initiatives that involve marginalized groups, particularly women. The "Women's Room" is an open informational and consultation resource center established by the municipal self-government body, specifically the mayor's office, in 2021. Its primary objective is to facilitate residents' engagement with the municipality and promote and encourage equal participation of women and men in decision-making processes at the local self-government level. The informants admitted that the women's room is a free, open space for relaxation and socio-economic activities. Residents are offered informational and consultation support in it. The Study team received numerous positive reviews of the 'Women's Room' performance.

“In the center of Khulo (Municipality Building), we have a room where women gather. For example, if the municipality plans to allocate specific funds for women entrepreneurs, we share our opinions of the best way to do this. Moreover, we help each other in times of need, such as during illness” (Woman, 51, village Vashlovani, Khulo).

This statement highlights that the 'Women's Room' functions not merely as a consultation point, but as a space for generating social capital, which is crucial for rural resilience. This

supportive environment encourages women to move beyond passive observation into active civic engagement, as illustrated by another participant:

“There are women in each village who are active and contact us through the Women's Room. We meet, share our problems, and brainstorm solutions. One day, they called me about a 2-3-year project, unpaid, and asked if I would participate. I love new challenges, so I joined. I'm not dissatisfied; I'm active and put my energy into this voluntary work” (Woman, 40, Diakvnisi Village, Khulo).

Furthermore, this platform appears to mitigate the competitive tensions often found in limited markets, replacing them with a collaborative mindset necessary for community-wide livelihood transformation:

“Most of us in the Women's Room are women entrepreneurs, and I don't see them as competitors. We are working on the same goal-supporting the municipality's development” (Woman, 44, Vashlovani Village, Khulo).

The research revealed that the Women's Room primarily engages women in economic activities. Their main task is to consult with the municipality on economic programs. However, respondents noted that the local municipality's budget is so limited that it cannot bring about significant change.

“With any large funding, such as from foreign donors or programs like ‘Produce in Georgia,’ we cannot intervene to share our opinions. Who knows better than us what the locals need?” (Woman, 40, village Diakvnisi, Khulo)

This reveals a critical gap between 'participation as attendance' and 'participation as power.' While space for dialogue exists, the lack of influence over substantial financial resources creates a feeling of powerlessness among active citizens:

“LAGs, or the Women’s Room, these gatherings are good, but if they don’t lead to results, how long can we keep meeting? We cannot reach the people who need to hear us. Nevertheless, our planned training sessions have benefited many, and I hope this continues” (Man, 39, Khulo).

Khulo’s location and landscape exclude some villages from the benefits concentrated in the town center. One informant, who is not a member of the Women’s Room but is aware of the initiative, noted that having such a room in the town center prevents women from remote villages from participating. They proposed making the Women’s Room mobile.

Attitudes toward participatory approaches

In the in-depth interview guide, our questions focused on awareness of state/municipal economic programs. Most interviewees agreed that access to such information, especially in villages far from the center, is quite limited. When asked how they received this information, the most frequently mentioned sources were television, public transport, and social media.

These informal and often unreliable channels point to a fundamental gap in institutional communication mechanisms- a finding that directly relates to our first research question about factors influencing awareness and participation in economic development programs

"Sometimes we hear something from Khulo center, or when I go to Batumi, someone on the bus is talking about something, and I listen - that's how we get information. Officially, we don't receive information from anyone." (Woman, age 42, tourism sector, Vashlovani village, Khulo).

This quote exemplifies the ad hoc nature of information dissemination in remote areas, where residents depend on chance encounters rather than systematic communication from institutions. The phrase "officially, we don't receive information from anyone" emphasizes the absence of formal mechanisms that should characterize participatory governance, representing a critical barrier to the effectiveness of participatory approaches.

The problem extends beyond mere information access to perceptions of deliberate exclusion:

"Such information doesn't reach farmers. It's shared among some people there who are already wealthy. I wish they wouldn't take anything away from us. If they want, I won't even care about whether I get the information or not" (Woman, 40, Diakvnisi Village, Khulo).

This statement reveals a perceived pattern of systematic exclusion that favors already-privileged groups. Such perceptions, whether entirely accurate or not, fundamentally undermine trust in participatory processes and create barriers to engagement that go beyond logistics. This finding addresses our third research question about challenges in program governance, indicating that effectiveness of participation is constrained not only by technical factors but also by issues of perceived equity and inclusion.

Some informants are invited to meetings by LAGs or the municipality, but time constraints are a concern. The gatherings, where economic programs are discussed, often take place when farmers are unavailable - typically during harvest or crop storage periods, or during the active tourist season. Even when formal participation mechanisms exist, practical barriers limit meaningful engagement:

"There are meetings at the municipality sometimes, but I can't always go. For example, meetings with 'Enterprise in Georgia representatives are often held in hotels, but I don't have

time to sit there all day and listen. I can't attend because I have a child to care for, I have to help at home, and guests are calling me. That's why I don't go and don't know what issues are being discussed."

This quote reveals multiple overlapping constraints that illuminate how participatory processes can be technically "inclusive" (invitations are extended) while remaining functionally exclusive. The timing of meetings conflicts with agricultural work cycles and the tourism season; the location (hotels rather than community spaces) may feel alienating; and domestic responsibilities create additional barriers.

The statement "I don't have time to sit there all day" suggests that meeting formats may not be designed with participants' realities in mind. These findings illustrate how the design of participation mechanisms themselves can either enable or constrain meaningful engagement, directly connecting to our second research question about how participatory practices shape program implementation.

Some informants also mentioned that they do not see any point in discussing their needs with the municipality, as it lacks the funding to address farmers' needs. Participants also noted that some grant programs are limited to specific economic sectors and, for example, do not fund handmade items, focusing instead primarily on the agricultural or tourism sectors, when asked about the challenges they would discuss if they participated in economic programs. Moreover, even if the target groups and sectors are well-selected, the lack of infrastructure in the town of Khulo and its villages remains a significant issue. Roads and drinking water are unavailable.

"More than grants, we need roads now. For example, when I transport my products to Batumi, they get damaged in transit, and the journey is very long. It would be good if they funded storage facilities with proper cooling so that crops don't spoil. Everyone knows what

problems exist. About 20 days ago, people from the municipality came, looked at the gardens, and asked about the problems. It's the same story every time, but what's the point? Just talking won't solve anything."

The analysis shows that although the community has been involved in planning and implementing local economic development, community access to policy control is still very limited. This is indicated by the limited input or input from the community towards the government related to local economic development programs. So the community's feedback on proposals for program improvement is still not accommodated. Community involvement is still at the level of program planning and implementation, but it has not yet reached the level of intervention or control over policy implementation.

Our findings reveal a pattern of what Arnstein (1969) would characterize as "tokenistic" participation, when consultation occurs, but without the power to influence outcomes or allocate resources to address identified needs. These findings reveal both the potential of participatory approaches in Khulo and their critical limitations.

Discussion

The research findings reveal a critical link between informants' attitudes towards participatory approaches and their perceived impact on economic transformation in Khulo. Many participants expressed a willingness to engage in communal affairs, particularly in economic projects introducing innovations and new economic activities to the municipality. These initiatives, primarily introduced and facilitated through the Local Action Group (LAG) and the "Women's Room," have been positively received by local residents.

Three main aspects of the positive impact of participation were identified:

1. Improved access to information, enabling better understanding and monitoring of ongoing activities and projects;

"Everyone here knows about LAGs, and if you know what LAGs do, then you also know what grant opportunities are available. With the help of LAGs, you might even meet the mayor, or they can introduce you to someone else. It depends on what you need for your business, and then you can say what you need" (Woman, 28, Khulo).

2. Capacity-building opportunities that provide community members with new skills, especially in project writing and budgeting;

"When I first came to the women's room, and they told me I had to draft a budget, I laughed and said, 'I have no idea how to do that!' But then they told me that people from the city (Tbilisi) were coming to conduct training and that I should attend (Woman, 41, Kedlebi).

3. Financial support, primarily through grants from internationally and locally funded projects.

These aspects facilitate the transformation of several local household livelihoods and enhance participants' self-confidence and self-esteem while elevating their social status within the community. Applying Arnstein's typology to Khulo's context addresses three fundamental dimensions of this research. First, it illuminates how information flows and access to participatory spaces position community members on the lower rungs of the ladder (Informing and Consultation), particularly given the finding that only 23% of citizens have access to public information.

Second, it provides a lens for examining whether existing participatory practices-through LAG meetings, Women's Room consultations, and municipal forums, translate into genuine

influence over program design and resource allocation (Placation and Partnership rungs), or remain merely consultative without decision-making power.

Third, the framework exposes the structural and institutional barriers that prevent communities from reaching the upper rungs of Delegated Power and Citizen Control, such as resource constraints, power asymmetries, and the dependency on external funding that characterizes both LAGs and municipal programs (Davidson, 1998; Reed, 2008).

This theoretical lens also acknowledges that participation is not a binary state but exists along a continuum. In Khulo, different households and groups may occupy different rungs simultaneously; some marginalized populations may remain at the "informing" stage, while more active citizens through LAGs might reach "consultation" or "placation," yet still fall short of partnership or control. This nuanced understanding allows us to analyze participation as a differentiated experience shaped by intersecting factors of geography, gender, economic status, and social capital.

The application of Arnstein's ladder to rural development in post-Soviet contexts like Georgia is particularly valuable, as it helps identify power asymmetries that may be masked by the formal adoption of participatory language in policy documents (Golubchikov, 2017; Pickles & Smith, 2016). As recent scholarship on participatory governance in transitional economies demonstrates, the establishment of participatory structures does not automatically translate into empowerment when underlying power relations remain unchanged (Rodgers, 2010; Sehring, 2009).

However, the study also revealed significant challenges, including limited inclusivity, insufficient outreach to remote villages, and a lack of trust in municipal governance. Respondents pointed out that while participatory mechanisms offer opportunities for collaboration and decision-making, their potential for driving economic transformation is often constrained by inadequate infrastructure, sectoral biases in grant allocations, and a lack of effective feedback mechanisms. The study identified the following main barriers to participation:

I. Sectoral bias in rural development programs: Programs prioritize a limited number of sectors, primarily agriculture, and tourism while excluding other important areas such as handicrafts, services, entertainment, and small innovative industries.

"If someone asked me how sectors should be selected, I would say that grant programs should have space for new and innovative ideas, and funding should go to competitive initiatives. For example, they shouldn't just keep building family guesthouses. Look, I want to start a dried fruit business - I barely managed to buy a machine, and I need more equipment, but it's not getting funded for some reason. My classmate from a nearby village is trying to expand a handmade wooden toy business and has been trying occasionally, but it's not getting funded either. I don't know the exact reason, but give him a chance" (Woman, 39, Khulo).

II. Geographic accessibility challenges: The centralization of participatory events in municipal centers creates access barriers for residents from remote villages. This is particularly problematic for women due to poor infrastructure and inadequate public transportation between settlements.

"As a housewife, I rarely even leave the village. Sometimes, I don't even know what's happening in the village center (laughs), let alone find out about programs announced in Khulo. Unfortunately, I only hear about them if someone I know tells me. My classmate told me about

these grants, so I decided to apply-that's how I bought sewing machines, thanks to her help and information. Otherwise, I had no idea these grants had existed for years; I just found out now" (Woman, 35, Kedlebi).

III. Digital divide: While almost all respondents mentioned that they primarily learn about grant opportunities through social media, it is essential to consider that while mobile services are generally adequate, internet access is limited, and the quality of digital connectivity is poor. Additionally, digital literacy, especially among the older generation, is insufficient.

IV. Lack of trust in local governance: Due to limited visible outcomes, many participants express skepticism about initiative impacts, viewing them as symbolic rather than substantive tools for change.

"We know ourselves that we don't live in a rich country, where you can go every day and ask for something, so I avoid such meetings."

"Here, people are so accustomed to things not working out. They think, 'Even if I go there and talk, nothing will happen, so why bother wasting my words.' That's what they say. But I always go, and if I come up with an idea, I try to share it. However, what difference can one person's effort make?"

Additionally, the success of participatory sustainable rural development in Khulo is influenced by local efforts and broader contextual conditions. Key challenges include complex political and administrative environments and limited institutional capacity at the local level. While Georgia's Local Self-Government Code provides a framework for decentralization, its implementation is hampered by weak human and financial resources at the municipal level. This challenge is not unique to Khulo but is characteristic of many rural municipalities throughout Georgia, resulting in low participation rates and limited engagement from marginalized groups.

Despite these challenges, the Local Self-Government Code offers a valuable foundation for decentralization. Strengthening its implementation could enhance community engagement and build trust in municipal processes. Furthermore, improving information dissemination and establishing robust feedback mechanisms could foster greater participation and collaboration among residents.

The findings of the study hence reinforce the broader critique of rural governance. According to study outcomes, challenges such as insufficient dissemination of information and lack of trust in municipal processes undermine efforts to foster inclusive participation. Additionally, the cultural and historical context, shaped by decades of centralized governance, has left communities with limited traditions of collective action or self-reliance in public decision-making. Some study informant households do not see the point in engaging with the municipality, expressing nihilistic views and concerns about potential corruption. These findings highlight the need to strengthen participatory governance to ensure that development initiatives are better aligned with community needs and contribute to sustainable economic change. The findings highlight the importance of expanding opportunities for meaningful community involvement. By addressing systemic challenges, Khulo can leverage the innovative potential of its LAG and the "Women's Room" to create a more inclusive and sustainable development model. With the right investments in infrastructure, outreach, and participatory mechanisms, Khulo has the opportunity to become a leading example of how rural development can transform livelihoods and empower communities through collective action.

Conclusion

This study examined the transformation of rural livelihoods and governance participation in Khulo municipality, Georgia, revealing a gradual shift from subsistence agriculture to commercial farming and tourism services at the household level.

While institutions like the Local Action Group (LAG) and the "Women's Room" have emerged as important instruments for inclusive governance and economic development, their effectiveness is constrained by several structural challenges. These include sectoral bias in development programs, centralized service locations limiting accessibility for remote communities, inadequate infrastructure, and weak implementation of the Local Self-Government Code. The significant dependence on external resources highlights a mismatch between the local government's strong legislative mandate and its limited financial and human resource capacity. Historical legacies of centralized governance have contributed to low civic engagement and widespread skepticism about participatory initiatives, with many residents viewing current programs as symbolic rather than transformative. Despite the contributions of local initiatives in enhancing awareness and providing financial grants, participation remains asymmetrical, with women and economically marginalized households encountering persistent barriers. The municipal government's limited capacity to address critical infrastructure deficits, combined with the perception that economic programs primarily cater to larger-scale enterprises, further undermines the effectiveness of economic interventions.

Livelihood transformation in Khulo municipality remains an ongoing process. While there is evidence of emerging opportunities in tourism, commercial farming, and entrepreneurship, achieving long-term transformation requires more than just financial aid-it necessitates a transition from subsistence-based livelihoods to diversified economic models that depend on enhancing local agency, strengthening adaptive capacities, and ensuring equitable

access to resources. Moving forward, strengthening participatory governance requires improved information dissemination, enhanced financial stability for participatory initiatives, strategic infrastructure investments, and active inclusion of marginalized groups in decision-making processes. While some visible achievements have been made, the long-term impact of these initiatives on household-level transformation and community-wide development remains an area for further investigation, particularly regarding community preferences and gender inclusivity within the sustainable livelihoods theoretical framework.

Based on the empirical findings of this study, several critical interventions emerge as necessary for strengthening participatory rural development in Khulo Municipality. The following recommendations are grounded in the theoretical framework of sustainable livelihoods and participatory governance, addressing the systemic barriers identified through our qualitative analysis.

- Implement funding mechanisms that prioritize business viability and community impact over predetermined sectoral preferences. Establish competitive innovation funds that evaluate proposals based on sustainability criteria, market potential, and contribution to local economic diversification. Create flexible grant categories accommodating emerging economic activities, including handicrafts, digital services, and small-scale manufacturing. This approach aligns with Scoones' (2015) conceptualization of livelihood transformation as requiring structural economic change and diversified income-generating strategies.
- Institute village-level focal points managed by trained local representatives who facilitate two-way communication between communities and municipal authorities. These focal points serve as information dissemination hubs while collecting community feedback and

needs assessments through multi-channel communication systems that combine digital platforms with traditional media and face-to-face methods.

- Capacity building networks: Establish inter-municipal learning networks that facilitate knowledge exchange between Khulo and other municipalities with successful participatory governance experiences. These platforms enable sharing best practices, addressing common challenges, and developing innovative solutions.
- Implement reserved participation quotas, gender-sensitive meeting schedules, and childcare support during community gatherings to ensure broad-based participation across demographic groups.
- Priority should be given to interventions addressing immediate barriers to participation (geographic accessibility, information dissemination) while building foundations for longer-term institutional change (capacity building, infrastructure development). This sequenced approach recognizes resource constraints while ensuring early interventions create enabling conditions for subsequent reform.
- The significance of these recommendations extends beyond Khulo Municipality to other mountainous rural contexts facing similar challenges. Lessons learned from implementing these policies could inform rural development strategies throughout Georgia and comparable regions, contributing to the global knowledge base on participatory governance and livelihood transformation in mountainous areas.

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