

TRENDS IN SOCIO-ECONOMIC DEVELOPMENT IN BATUMI (THE 1890S TO THE EARLY TWENTIETH CENTURY)

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Abstract: This article examines the principal trends in the socio-economic development of Batumi from the 1890s to the early twentieth century. From the 1890s onward, Batumi became a petroleum export centre of global significance. The development of industrial infrastructure associated with petroleum export exerted a decisive influence on the city's economic life. Batumi was transformed into a major industrial and commercial centre not only of Transcaucasia but of the entire Black Sea basin. Drawing upon documentary sources and taking into account the relevant historiography, the study investigates the role of petroleum exports through the port of Batumi in the city's social, economic, and political development in the late nineteenth and early twentieth centuries.

Keywords: Batumi; petroleum export; industry; trade; social conditions

Introduction: In the late nineteenth and early twentieth centuries, Batumi and the Adjara region as a whole underwent significant socio-economic transformation. As a result of the Russo-Ottoman War of 1877–1878 and subsequent political decisions, Batumi was incorporated into the Russian Empire, laying the foundation for a new phase of regional economic development. Batumi's favourable geopolitical location, its naturally sheltered harbour, its excellent bay, and its proximity to international trade routes endowed it with particular strategic and economic significance. The *porto franco* (free port) status, the development of port and rail transport, and the growth of Baku petroleum exports rapidly transformed Batumi into an important commercial and industrial centre — not only within the Caucasus but throughout the Russian Empire as a whole. The increasing pace of petroleum export gave a powerful impetus to Batumi's industrial development. Alongside industrialisation, certain branches of agriculture also developed, and the influence of foreign capital in the region grew. The rapid pace and large scale of economic development facilitated a swift expansion of Batumi's population. These processes exerted a significant influence on both the economic and social condition of the city and determined the distinctive character of Batumi's development during this period.

Sources and Literature Review: A rich body of documentary material is available on the subject under consideration, including archival sources, press materials, accounts by foreign travellers, jubilee collections, and others. The relevant historiography is likewise diverse. Noteworthy contributions have been published by both Georgian scholars (Sichinava V., Turmanidze O., Surghuladze Ab., Sioridze M., Megrelidze Sh., Chkheidze A., Gogolishvili O., Karalidze J.) and foreign authors, all of which are cited with appropriate references in this article.

Methodology: In accordance with the aims and objectives of the research, the following methods have been employed: source analysis, comparative analysis, systematic analysis, comparative-historical analysis, logical analysis, and others.

Discussion and Results: It may be stated without exaggeration that both Adjara and, in particular, Batumi represented one of the more developed and prospective locations from the standpoint of socio-economic advancement. From the early nineteenth century onward, following the establishment of its presence in Transcaucasia, Russia developed a particular interest in Batumi. This interest may be explained by several factors. Russia lacked a significant deep-water harbour on the eastern coast of the Black Sea; Batumi's port therefore held great importance for it, the more so since the harbour was sheltered by mountains and accessible to large vessels in all weather conditions. The Governor of Imereti, General Simonovich, noted of Batumi's natural conditions: "*Batumi has a very fine harbour,*" while the Commander-in-Chief of the Caucasus, Paskevich, wrote: "*With Batumi we shall acquire a harbour safe for vessels in all seasons of the year.*" In addition, Russia's interest in Batumi was of a military-strategic character, since during this period Batumi controlled the most important routes of Transcaucasia.

By the decision of the Congress of Berlin, Batumi was transferred to victorious Russia with the status of a *porto franco*. The Caucasian administration was tasked with drawing up the corresponding charter for the *porto franco* in Batumi (Surghuladze, Sioridze, 1996: 25). The positive role of the *porto franco* in Batumi's economic development is attested by D. Kldiashvili, who was well acquainted with the situation in the city and noted: "*During the porto franco period, guard posts surrounded the city. Every passer-by was searched. Customs duty had to be paid on traded goods. Since Batumi was a porto franco, every traveller's luggage had to be inspected at the customs office upon departure from Batumi, and again upon arrival in Poti*" (Kldiashvili, 1984: 19). Given this complex situation, the government became convinced that the *porto franco* regime was insufficiently suited to its interests. In subsequent years the freedoms of Batumi's port were further curtailed: customs duties were imposed on additional categories of goods, provoking considerable dissatisfaction in commercial circles, though no political complications ensued. The Russian authorities abolished the Batumi *porto franco* without difficulty on 27 June 1886.

The outcome of the Russo-Ottoman War of 1877–1878 and the Treaty of San Stefano settled the question of Batumi, which was transferred to Russia. The Viceroy of the Caucasus subsequently signed a provisional charter. The Batumi region was placed under the authority of a military governor; the first governor was Konstantin Bessarionovich Komarov, who was later replaced by Major-General Smekalov. The aims of tsarism are clearly revealed by the work of the commissions established to investigate the rights of existing landowners — commissions concerned with the study and regulation of land-ownership relations. The local population was dissatisfied with the authorities' conduct. The newspaper *Droeba* reported: "*In Batumi, the matter of land ownership is in an indefinite and unclear state*" (*Droeba*, No. 64, 1884).

To characterise Batumi's economic condition, attention must be drawn to the emergence and development of capitalist industry in the 1890s. During that decade, Batumi's advancement depended primarily on the export of Baku petroleum. Manufactories were founded; the first factories producing petroleum containers appeared in Batumi. By the late nineteenth century, Batumi had attracted a considerable number of construction engineers, craftsmen, carpenters, and workers. During the same period, Batumi's industry passed through all three stages of capitalist development: simple cooperation, the manufactory, and the factory proper. It should be noted that it was precisely the capitalist development of industry that brought about the emergence and proliferation of a multi-ethnic bourgeoisie and a hired labour force in Batumi. Foreign capital occupied a dominant position throughout the Batumi region — a circumstance attributable to the weakness of the local bourgeoisie.

It should also be noted that no industry whatsoever existed in Batumi prior to its incorporation into Russia. As Frenkel' wrote: "*Apart from the manufacture of old-style muskets, daggers, and edged weapons in general, there are no factories or workshops of any kind, not only in the Batumi district but throughout the*

entire Batumi region" (Frenkel', 1879: 4–5). Nevertheless, in terms of its geographical location and natural conditions, Batumi possessed all the prerequisites for industrial development. Following the establishment of Russian dominance, the situation changed in Adjara and especially in Batumi, which was assigned a determining role in economic development; and Batumi's industrial development was primarily subordinated to the purposes of petroleum export (Sichinava, 1958: 122).

The unprecedented rapidity of Batumi's economic development from the 1880s onward was indeed driven by the export of Baku petroleum. *"A sound infrastructure for the sorting and transportation of petroleum products was created"* (Chkheidze, 1974: 105). Turmanidze observed that *"whereas at the moment of union with Russia craftsmanship was predominant, by the late 1880s the manufactory and the factory had already gained ascendancy"* (Turmanidze, 2004: 12). By 1895 there were 35 enterprises in the city of Batumi, including tobacco, cast-iron smelting, mineral water, sawmill, nail manufacturing, and other establishments. In 1895, a total of 3,845 workers were employed in Batumi's enterprises, while the value of output amounted to 26,541,965 roubles. This at a time when the entire Kutaisi Governorate — which administratively included the Batumi district — counted 723 industrial enterprises employing 5,474 workers, with a total output value of 27,401,793 roubles (NGA, f. 130, d. 180: 36). It should also be noted that Batumi's rapid economic growth was contingent upon petroleum export, which in turn stimulated the development and improvement of the city's infrastructure. The export of petroleum products from Batumi increased, thereby augmenting the port's cargo turnover. Before Batumi's incorporation into Russia, the port's cargo turnover did not exceed 500,000 puds; twenty years later — specifically in 1899 — it reached 90,000,000 puds (SEA, f. 12, d. 713: 52–53), and by 1903 amounted to 107,700,000 puds (SEA, f. 12, d. 2947: 10; Mourrier, 1962: 10).

In the late nineteenth and early twentieth centuries, British and American capital appeared in southwestern Georgia. Foreigners showed particular interest in the copper deposits of the Batumi region. By 1901 alone, 14 mining and industrial organisations were engaged in the extraction of mineral resources in the Batumi region, the majority of which were foreign companies. The German firm Siemens Brothers played a decisive role in copper processing in the Batumi region. Initially, the Siemens firm exported copper ore abroad; between 1905 and 1907 they also constructed a blister-copper smelting plant on site. By 1902, 1,026 commercial and 366 industrial establishments were operating in the city of Batumi. From the early twentieth century onward, Batumi was regarded as the third industrial centre of Transcaucasia, after Tbilisi and Baku (*Batumi i ego okrestnosti*, 1906: 416). Batumi's growth and development proceeded at the expense of Baku petroleum exports.

Commercial activity developed in parallel with economic advancement. Following Batumi's incorporation into Russia, it became necessary to construct a railway and to build a fully functional port, since Russia required Batumi as an important high-capacity commercial and economic hub. In 1883, Baku and Batumi were connected by the Batumi–Samtredia railway line, and Batumi gradually became the principal transit point for the export of Baku petroleum to world markets. The growing pace of petroleum export made the modernisation of Batumi's harbour an urgent necessity. Batumi possessed a magnificent deep-water bay, sheltered from the winds. *"However, this potential was not being exploited due to the absence of a suitable port. The lack of adequate communications greatly impeded the development of trade in Adjara"* (Karalidze, 2009: 156).

The connection of Baku and Batumi by rail and the reconstruction of the harbour markedly increased both the number of vessels entering Batumi's port and the overall cargo turnover. According to 1878 data, goods worth 906,330 roubles were imported through the port of Batumi, while goods worth 367,712 roubles were exported. By 1886, total imports had risen to 2,732,746 roubles and exports to 19,667,885 roubles. In

1893, imports amounted to 9,701,774 roubles and exports to 23,556,690 roubles (NGA, f. 130, d. 178: 14–15).

The rapid development of industry and trade in Batumi is confirmed by shipping statistics. Whereas 466 vessels entered the port of Batumi in 1879, this figure increased to 1,263 in 1887, to 1,539 in 1893, and reached 1,753 in 1901 (NGA, f. 130, d. 170: 11; NGA, f. 186, d. 781: 2). All of this had a positive effect on the city's revenues and promoted its development and improvement. The newspaper *Iveria* wrote: "*Batumi — once an 'Asian city,' left to its own devices and quiet — has today been transformed into a European city, has become Europeanised. Batumi has an annual income of more than 80,000 roubles, and that income grows every year*" (*Iveria*, No. 24, 1886). The Batumi *porto franco* made a significant contribution to the city's economic development in its time. Its abolition had an adverse effect on Batumi: "*Following the abolition of the porto franco, domestic trade and craftsmanship declined sharply*" (Phutkaradze, 2024: 136).

The celebrated writer Sophrom Mgaloblishvili noted in his *Memoirs* that it was precisely the construction of Batumi's port and the laying of the railway line that facilitated the city's economic advancement. Baku exported petroleum to world markets by means of Batumi, and the volume of petroleum exported from Batumi via Baku grew progressively (Mgaloblishvili, 1938: 120–121). By the late 1880s, Batumi had surpassed not only Poti in overall cargo turnover but had also established its supremacy within the then-Kutaisi Governorate.

The rapid economic development of Batumi necessitated a large labour force, which in turn drove swift population growth. Whereas Batumi's population did not exceed 3,000 in 1878, by 1903 it had surpassed 30,000. Population growth was attributable primarily to the expansion of the working class. The working conditions of labourers were extremely harsh. "*The labour and living conditions of workers were entirely dependent upon their employers, who subjected them to limitless exploitation*" (Jiqia, 1973: 148). Batumi's workers were compelled to labour under practically intolerable conditions: low wages, long working hours, and poor housing conditions were their common lot. The newspaper *Kvali* wrote: "*The worker remains helpless, abandoned to the mercy of others, enduring innumerable misfortunes and hardships in submissive silence*" (*Kvali*, 1895: No. 34).

Workers, oppressed by such conditions, initially expressed protest against enterprise owners and advanced demands of an economic character; gradually, however, they began to raise political questions and to initiate organised resistance against the authorities.

At the beginning of the twentieth century — specifically in 1901 — a unified Social Democratic organisation of considerable importance was established in Batumi. The year 1902 opened with particular difficulty for the city, as revolutionary disturbances took place. The city's mayor at the time, Ivane Andronikashvili, wrote: "*The year 1902 is the year of the revolutionary upsurge among workers in Batumi's petroleum factories and of social-democratic propaganda. At this time, Batumi stood out throughout all of Georgia for the exceptional size and activism of its working class. The attention and significant resources of the Social Democratic Party were directed to this place.*" Strikes among workers, who put forward not merely economic demands but also far-reaching political objectives, became more frequent (Karalidze, 2009: 194–195). Large-scale workers' demonstrations broke out in Batumi, involving employees of the Rothschild, Sideriadis, Mantashev, and other factories. Despite the failure of the workers' protests, the demonstrations of 9 March 1902 played not merely a significant but a defining role in the history of the Batumi workers' movement, contributing to the strengthening of the working class's position and to its subsequent active engagement in the socio-political affairs of the empire.

Conclusion: The social condition of the population in the Batumi region was extremely difficult. While the *porto franco* played an important role in the development and stabilisation of the region's economic

situation, it also facilitated the emigration of a significant portion of the population to Turkey — a process further compounded by tsarism's colonial policy. The authorities deliberately obstructed the resolution of the land-ownership question as well, which gave rise to justifiable discontent among the population. Despite Batumi's transformation into a major commercial and industrial centre, none of this served to improve the socio-economic condition of the working class. By the early twentieth century, Batumi had become a significant centre of revolutionary activity not only in Georgia but on the scale of the entire Russian Empire. Russia deliberately and shrewdly exploited the complex social and socio-political situation in Batumi and, using workers' protests as a pretext, separated Batumi from the Kutaisi Governorate in 1903 and established it as a distinct administrative region.

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