

THE WELL-BEING OF CHILDREN AND THEIR FAMILIES IN GEORGIA

GEORGIA WELFARE MONITORING SURVEY
SECOND STAGE 2011

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This report focuses on a number of dimensions of well-being and welfare of the population of Georgia. Based on the national 2011 Welfare Monitoring Survey, it examines the prevalence and distribution of consumption poverty, material deprivation, subjective poverty, social exclusion and lack of utilities in the years following the global economic crisis. It makes particular reference to the role of social transfers and the well-being of children. The results should help to inform policy makers and practitioners to develop appropriate and adequate responses to deal with problems of poverty and deprivation.

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Table of Contents

1. Executive Summary	5
2. Background	9
2.1 Recent socio-economic developments in Georgia	9
2.2 Survey methods	10
2.2.1 Sampling	10
2.2.2 Data weighting	11
2.2.3 Comparability with previous study	11
2.2.4 Adjusting for inflation	12
2.2.5 Income and expenditure per adult equivalent	12
2.2.6 Statistical significance	13
3. Welfare profile	14
3.1 Household income	14
3.1.1 Total income	14
3.1.2 Income per adult equivalent (PAE)	15
3.1.3 Income inequality	18
3.2 Household consumption	19
3.2.1 Total consumption	19
3.2.2 Household consumption per adult equivalent (PAE)	20
3.2.3 Consumption inequality	22
4. Dimensions of wellbeing	24
4.1 Consumption poverty	24
4.1.1 Poverty thresholds	25
4.1.2 Rural and urban poverty	26
4.1.3 Regional variation	28
4.1.4 Children in households	31
4.1.5 Pensioner households	33
4.1.6 Minority group households	34
4.1.7 Poverty and education	36
4.1.8 Poverty and employment	39
4.2 Material deprivation	42
4.2.1 Durable household goods	42
4.2.2 Housing conditions	44
4.2.3 Double material deprivation	46
4.3 Subjective poverty	46
4.4 Lack of utilities	49
Comparison with 2009	49
Water and sanitation – Millennium Development Goals	51
4.5 Social exclusion	55
4.6 Multiple dimensions of poverty and deprivation	57
4.7 Summary of trends and trajectories of poverty	59
4.7.1 Characteristics of newly poor households	60
4.7.2 Other dimensions of recent poverty	62
5. Modelling the probability of consumption poverty	63
5.1 Urban areas	63
5.2 Rural areas	64

6. Social transfers.....	66
6.1 Background.....	66
6.2 Receipt of social transfers.....	68
6.3 The impact of social transfers on poverty.....	69
6.4 Pensions.....	70
6.4.1 Targeting of pensions.....	70
6.4.2 Coverage of pensions.....	71
6.4.3 Level of pensions.....	73
6.4.4 Effectiveness of pensions in reducing poverty.....	73
6.5 TSA.....	74
6.5.1 Targeting of TSA.....	75
6.5.2 Coverage of TSA.....	76
6.5.3 Level of TSA.....	78
6.5.4 Effectiveness of TSA in reducing poverty.....	78
6.5.5 TSA and the newly poor.....	80
6.6 Categorical benefits.....	81
6.6.1 Targeting of categorical benefits.....	81
6.6.2 Coverage of categorical benefits.....	82
6.6.3 Level of categorical benefits.....	82
6.6.4 Effectiveness of categorical benefits in reducing poverty.....	82
7. Health care services.....	85
7.1 Background.....	85
7.1 Composition of spending on health care in 2011.....	85
7.3 Catastrophic health care costs.....	91
7.4 Health insurance.....	92
7.4.1 Health insurance by region.....	93
7.4.2 Health insurance and ranking scores.....	94
7.4.3 Health insurance and consumption levels.....	95
7.5 Financial barriers to health care.....	96
7.6 The impoverishing impact of out-of-pocket expenditure on health care.....	98
8. Child poverty.....	100
8.1 Background.....	100
8.2 Child poverty.....	100
8.3 Water, sanitation and hygiene.....	103
8.4 Birth Registration.....	104
8.5 Pre-school and school attendance.....	106
9. Household coping strategies.....	108
9.1 Background.....	108
9.2 Reasons for worsening household situations.....	109
9.3 Additional sources of livelihood.....	110
9.4 Alleviating the impact of worsening economic situations.....	113
9.5 Debt and borrowing.....	115
9.6 Future prospects.....	118

1. Executive Summary

1. In 2009 UNICEF initiated a two stage Welfare Monitoring Survey (WMS). The first survey (Wave 1) was completed in 2009. Wave 2, almost identical in design to the first survey, was carried out in 2011. It covers a nationally representative sample of 4147 households across Georgia who had taken part in Wave one.
2. The aim of WMS was to provide reliable data on poverty indicators in Georgia and determine coping strategies households used to mitigate financial disaster from the local effects of the aftermath of the global economic crisis.
3. Average monthly household income in 2011 was 374 GEL. Adjusted for the household size and ages, income per equivalent adult (PAE) increased to 161 GEL from 140 GEL in 2009. However, when adjusted for inflation, the average monthly household income PAE actually fell by two per cent but it is not a statistically significant change.
4. Urban monthly mean incomes (209 GEL PAE) remain significantly higher than rural incomes (111 GEL PAE) on average. Low incomes are more evenly distributed across rural parts of the country while the urban area incomes are more unequally distributed.
5. When household consumption is expressed per adult equivalent the median for 2011 is 182 GEL and the mean is 232 GEL. When adjusted for inflation the mean corresponds to 197.7 GEL which is not significantly different from 2009 mean of 191 GEL.
6. Consumption poverty was measured against three thresholds: relative poverty at 60% of median consumption (109.2 GEL a month); absolute extreme poverty at 71.7 GEL a month; and absolute general poverty of 143.4 GEL a month. The absolute thresholds are the same as in 2009 but adjusted for inflation. The relative threshold is the same concept as 'official' poverty threshold used in the 2009 WMS analysis. Extreme and general poverty thresholds were based on World Bank's thresholds of US\$1.25 and US\$2.5 a day to identify such poverty.
7. The percentage of households falling below the relative poverty threshold fell significantly from 23.7 to 21.8 per cent between 2009 and 2011.
8. The percentage of children living in poor households fell even more, by three percentage points, but 25.2 per cent of children remain poor.
9. Relative poverty rates are much higher in households where there are more children. Over 30 per cent of households with three or more children are poor.
10. For every threshold the percentage of children living in poor households is higher than the headcount for the whole population and higher than the rate for pensioners.
11. There is regional variation in poverty. Mtskheta-Mtianeti, with the worst poverty status in 2009, has experienced declining headcount rates at all thresholds. The highest headcount poverty rates for every threshold in 2011 are found in Samegrelo (where poverty has increased sharply since 2009). Extreme poverty in Ajara has increased significantly while the lowest rates for 2011 are in Guria.

12. Azeri households are more than twice as likely as others to be in extreme poverty and their poverty gap is significantly higher than for other households at every threshold.
13. Higher levels of education, especially of women, are associated with lower poverty rates. The poverty gap decreases when women's education increases reflecting greater command over resources and perhaps more choices between family care and paid work.
14. As expected, employment deters poverty. Households with an employed member have significantly lower poverty rates than those where no-one is employed. Having a household member in regular paid work almost halves children's risk of relative poverty.
15. Material deprivation refers to a household lacking any five or more of the following items: a car, a cell phone, a washing machine, a television, a refrigerator, a vacuum cleaner and an iron. It still affects more pensioners (20.5%) than children (8.9%) or than the whole population (12.4%). For every group the extent of material deprivation has fallen over the two years.
16. The household rate of housing deprivation has not significantly fallen since 2009. However, the percentage of children living in households suffering housing deprivation has declined from over 27 per cent in 2009 to just over 22 per cent in 2011.
17. There has been a significant improvement in access to water. The percentage of households with no cold water or no supply inside the dwelling dropped from 48 to 43 per cent during the last two years. 42 per cent of children still live in these households.
18. While 15 per cent of households rose out of relative poverty between 2009 and 2011, 13 per cent became newly poor who are more likely to live in rural areas. Newly poor households are more likely to experience new deprivation in other dimensions.
19. Between 2009 and 2011 the number of people receiving no type of social assistance significantly declined. Pension and Targeted Social Assistance (TSA) receipt increased.
20. Social transfers' impact on poverty depends on coverage and levels of payment. In relatively poor households over eight per cent of all children are lifted out of poverty by household receipt of pension income. Two per cent of all children are lifted out of relative poverty by household receipt of TSA income.
21. Households in decile 1 are below the extreme poverty line and decile 2 has average consumption below the relative poverty line. While TSA receipt for the poorest households has increased still nearly half of the poorest decile gets no TSA and only a quarter of those in the second decile receive TSA.
22. Out-of-pocket expense on medical services and medicines can be calamitous. Almost half the households in 2011 had at least one person who needed medical services the household could not afford to pay for. In 34 per cent of households, health care spending was over 25 per cent of non-food expenditure, higher than in 31 per cent of households in 2009.
23. In 2009, just over 36 per cent of the bottom quintile population was covered by Medical Assistance Program (MAP) health insurance by 2011 it had increased to 40 per cent.
24. While over half of 3 to 5 year-olds in the richest fifth of households received pre-school education, less than a third of the poorest fifth did.

25. As in 2009, a significant self-acclaimed worsening of economic conditions was much more common (18%) in the poorest than in the richest fifth (10%) of households.
26. Only 1.3 per cent of the poorest fifth of households report improved conditions versus 8.6 per cent of the richest fifth.
27. Rates of money borrowing have increased. During the year preceding the 2011 WMS, nearly 44 per cent of all households had borrowed money, much more than 36 per cent in 2009. For rural households the rate of borrowing almost doubled in two years.
28. Concern about being unable to satisfy minimum household needs for the next year increased in the poorest 60 per cent of all households. In the richest 40 per cent of households numbers with this concern have actually fallen.
29. In the poorest quintile the number of households who see themselves as vulnerable increased significantly from 62 per cent in 2009 to 72 per cent in 2011.

Key Trends 2009 to 2011

	% 2009	% 2011
Fall in household poverty ^a rate	24	22
Fall in child poverty rate	28	25
Increase in rural poverty gap	27	31
Fall in material poverty	27	18
Fall in housing deprivation of children	28	22
Fall in double child deprivation (housing and durables)	13	6
Fall in households with no cold water supply in dwelling	48	43
Fall in households receiving no social assistance	41	36
Increase in pension receipt in households	54	58
Increase in TSA receipt	9	13
Increase in TSA receipt for poorest tenth of households	39	52
Fall in number of households where health care costs are more than 10% of total consumption	54	31
Fall in households with no health insurance	77	42
Increase in MAP coverage across all households	13	23
Increase in % of poorest fifth of population covered by MAP among insured households	36	43
Increase in households with debt problems	64	74
Increase in borrowing in rural households	12	22
Fall in borrowing from friends and relatives (rural)	52	35
Increase in borrowing from bank or pawn shop	49	60
Increase in concern about future in poorest decile	62	72

^a All poverty rates in table are based on the relative threshold

2. Background

2.1 Recent socio-economic developments in Georgia¹

In May 2010 municipal elections were held in Georgia. The ruling party, the National Movement, received over 65 per cent of the votes and formed a majority in each municipality. This gives the National Movement a strong mandate to continue market-oriented reforms over the coming years. In nominal terms, public expenditure in Georgia increased from 5.36 billion GEL in 2009 to 5.6 billion GEL in 2010. Total revenues increased from 4.9 to 5.3 billion GEL. The deficit halved from 450 to 243 million GEL. On the other hand, public foreign debt increased from US\$7.88 billion in the second quarter of 2009 to US\$8.72 billion in the second quarter of 2010.

Inflation in Georgia in 2009 was at its lowest rate in the past decade at 3.3 per cent but in 2010 it increased rapidly. Between August 2009 and August 2010 the Consumer Price Index (CPI) increased by 9.5 per cent. During the same period food prices increased more substantially by 14.9 per cent. Prices of energy and utilities (electricity, water and gas) have been more stable, increasing by a mere 2.3 per cent. Data available beyond August 2010 show that food prices continue to increase. Since December 2009 the food CPI grew by 22.2 per cent, contributing greatly to the overall CPI increase of 10.5 per cent. This increase can partially be attributed to wildfires in Russia, destroying a large share of the wheat harvest and triggering worldwide protectionist policies on grain, resulting in significant price increases on grain. However, other food prices have also risen substantially with important implications for the poor.

Overall, between 2009 and 2010, the unemployment rate in Georgia fell from 16.9 to 16.3 per cent while the employment rate increased from 52.9 to 53.8 per cent. Women's participation in the labour force grew slightly but remained low at 55.5 per cent. Unemployment continued to be almost four times higher in urban than in rural parts of the country. Young people aged 20 to 24 continued to be the most disadvantaged with unemployment at a rate of 38.3 per cent in 2010. Meanwhile the average monthly nominal salary increased from 556.8 GEL in 2009 to 597.6 GEL in 2010. In absolute terms, men benefited more than women from increased wages. Their average wage increased from 690.8 GEL to 742.8 GEL while women's average wages increased from 398.3 GEL to 426.6 GEL². At present Georgia has no guaranteed minimum income or wage. The subsistence minimum defined for a working age man

¹ Material in this section is extracted from the response of UNICEF Georgia to a UNICEF CEE/CIS regional survey assessing the impact of the global financial and economic crisis on children's poverty and wellbeing in the CEE/CIS region in 2010.

² Geostat (2010) Employment and Unemployment, available at:
http://geostat.ge/index.php?action=page&p_id=146&lang=eng

was 155 GEL in August 2011. The state budget of Georgia increased substantially in 2010 but the share of social protection expenditure decreased by 1.6 percentage points. The shares of education and health grew by 0.6 and 1.1 percentage points respectively³.

In the wake of the global economic crisis, UNICEF initiated a two stage Welfare Monitoring Survey in Georgia. The first survey was completed in 2009 and the second in 2011. The ultimate objective was to provide dependable data on the dynamics of key welfare indicators in Georgia. This was to explore household strategies resorted to in order to mitigate risks posed by the local impact of the global economic crisis.

2.2 Survey methods

The aim of the WMS 2011 was to interview the same 'well-informed respondent' in each household who had participated in the 2009 survey. The longitudinal dataset enables analysis of changes in household and personal circumstances over a two year period. Fieldwork began on 20th of June 2011 and finished on 30th of July 2011. It was carried out by 84 interviewers, with regional supervisors, all across Georgia.

2.2.1 Sampling

The sampling strategy targeted the 4808 households⁴ in which face-to-face interviews had been completed in 2009. Successful interviews were held with respondents from 4147 households, an 86 per cent response rate.

Table 2.1: Survey response rates by region in 2011

Regions	Initial sample size	Completed questionnaires	Response rate (%)
Tbilisi	544	431	79.2
Ajara	293	247	84.3
Guria	325	291	89.5
Imereti, Racha-Lechkhumi	927	831	89.6
Kakheti	628	577	91.9
Mtskheta-Mtianeti	292	235	80.5
Kvemo Kartli	657	506	77.0
Samtskhe- javakheti	319	295	92.5
Samegrelo, Zemo Svaneti	429	395	92.1
Shida Kartli	392	339	86.5
TOTAL	4806	4147	86.3

³ Source: MoF (2010) Law on State Budget 2010

⁴ The 2009 survey included a separate diary to collect consumption information. This was completed by only 4646 of the 4808 respondents. In 2011, the collection of consumption data was incorporated in the main questionnaire completed by all respondents.

Of the 659 non-responses, 205 were due to refusals to participate but in the majority of cases respondents had moved away, either temporarily or permanently.

2.2.2 Data weighting

A household weighting variable was provided by the survey research company for use with the complete set of 4147 households in the sample. This was based on the weights used in the 2009 survey, as stratified by region and type of location. Table 2.2 shows that the geographical distribution of the population in Georgia changed little between 2009 and 2011 and the new weight simply adjusts the 2011 households to correct for the change in sample size.

Table 2.2: Distribution of population by region at the beginning of 2009 and 2011

	2009 (thousand)	2009 (%)	2011 (thousand)	2011 (%)
Tbilisi	1136.6	25.9	1162.4	26.0
Ajara	382.4	8.7	390.6	8.7
Guria	138.8	3.2	140.3	3.1
Imereti, Racha	741.2	16.9	751.8	16.8
Kakheti	401.4	9.2	406.2	9.1
Mtskheta-Mtianeti	105.2	2.4	109.3	2.4
Samegrelo-Zemo	468	10.7	477.1	10.7
Samtskhe-Javakheti	208.1	4.7	212.8	4.8
Kvemo Kartli	488.8	11.2	505.7	11.3
Shida Kartli	313	7.1	313	7.0
Total	4383.5	100.0	4469.2	100.0

Source: <http://www.geostat.ge/>

2.2.3 Comparability with previous study

The achieved survey sample in 2011 was 4147 households. Examination of the 2009 survey data shows that 4020 households completed a full questionnaire in both survey years (Table 2.3).

Table 2.3: Survey attrition 2009 - 2011

Years survey completed	Number of households
Both 2009 and 2011	4020
2009 only	626
2011 only	127
Total	4773

The 127 households included in 2011 but not in 2009 are ones where the 2009 questionnaire was not completed fully. There was no information provided on

consumption—essential to poverty measurement. Of the 4646 households where we do have consumption data for 2009, the households that went on to participate in 2011 were not significantly different in terms of their 2009 material deprivation, subjective poverty or social exclusion than those who did not. Therefore, no bias occurs from the dropout rate when using only complete surveys in both years.

However, households that went on to participate in 2011 wave had on average lower consumption levels (PAE) and a higher consumption poverty rate than those who dropped out. There is a significant association between consumption poverty and location (rural and urban) so the effect of non-response on consumption levels is likely to be mitigated by the over-representation of urban households lost between the two waves of the survey.

Since the original survey weighting is based on settlement size and altitude within regions, the re-weighting of the 2011 data only adjusts for sample size to reduce any possible bias that may have resulted from attrition between 2009 and 2011. The weighted 2009 sample, for example, includes 50.8 per cent of urban households while the re-weighted 2011 figure is 50.6 per cent.

For most of this report, comparisons are based on the 4646 complete responses for 2009 and the 4147 responses from 2011, weighted appropriately. Where indicated in the report, the analyses tracing the trajectories of individual households through time use only the 4020 households for which a full questionnaire was completed in 2009 and in the 2011 survey. A separate weight was provided by ISSA to account for the number of households in this subset of the sample.

2.2.4 Adjusting for inflation

A sustained increase in the general price level is measured by the consumer price index (CPI). It is based on the cost of a typical basket of consumer goods and services in particular years. The National Statistics Office of Georgia on the website of the National Bank of Georgia (<http://www.nbg.ge/index.php?m=306#monetarystatistics>) gives a CPI of 171.7 for July 2009 and 201.5 for August 2011 (using a base year of 2000), the months in which fieldwork was completed. For comparing change between the two surveys, monetary data for 2011 are converted to 2009 prices by dividing by 201.5 and multiplying by 171.7.

2.2.5 Income and expenditure per adult equivalent

As in the 2009 analysis, comparison between households of different size and composition use measures of income and expenditure. Some are adjusted, in the relevant parts of this report, to GEL per equivalent adult (PAE). The calculation is based on that of the Georgia Department of Statistics. First an equivalent adult coefficient is calculated for each household (Table 2.4).

Table 2.4: The scale used to calculate number of equivalent adults in a household

Age	Gender	Equivalent Adult coefficient
<8		0.64
>=8 and <16		1
>=16 and <65	Male	1
>=16 and <60	Female	0.84
>=65	Male	0.88
>=60	Female	0.76

To correct for economies of scale in larger households, the number of equivalent adults is then raised to the power α , where $\alpha=1$ for a single person household and $\alpha=0.8$ where household size is greater than one.

2.2.6 Statistical significance

In sample surveys we do not have information about the whole population. We infer things about the population from statistical tests carried out on the sample. The probability that the relationships we observe in the sample only occur by chance (rather than from real effects within the whole population) is represented as p . The smaller the value of p , the more confident we can be that the sample relationships do hold true in the population. Probabilities of less than 0.05 mean we can be at least 95% confident and this level is conventionally used to indicate statistical significance.

In the tables that follow the conventions used to represent probability values are:

* means $p < 0.05$ (95% confidence)

** means $p < 0.01$ (99% confidence)

*** means $p < 0.001$ (99.9% confidence)

ns means Not statistically significant (less than 95% confidence)

3. Welfare profile

3.1 Household income

3.1.1 Total income

According to the survey results, the average household monthly income in Georgia in 2011 was 374 GEL⁵, compared to 322GEL in 2009. Average 2011 monthly incomes are twice as high in urban (497 GEL) as in rural areas (248 GEL). Table 3.1 shows that this difference is mainly driven by higher wage incomes in urban areas. However, incomes from most other sources are also higher in urban areas, with the exception of income from social transfers.

Table 3.1: Average total monthly household income (GEL) by source 2011

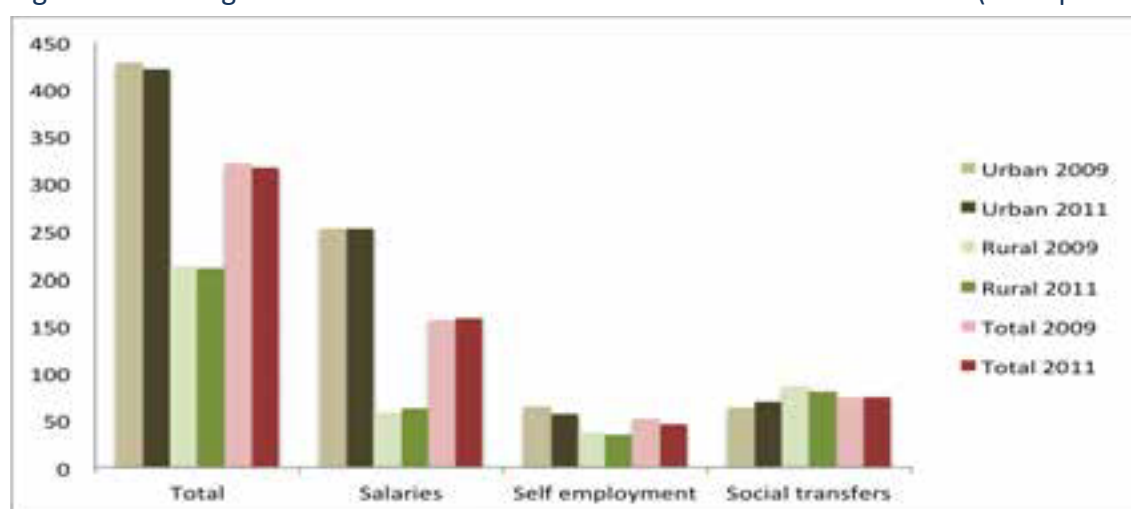
Source	Urban	Rural	Total (n=4147)
Total	496.7	247.6	373.8
Salaries	297.6	73.2	186.9
Self employment	66.1	41.1	53.7
Social transfers	81.6	94.8	88.1
Private transfers	9.8	5.8	7.8
Rental income	1.9	1.8	1.8
Foreign transfers	16.9	7.0	12.0
Other sources	22.8	23.9	23.3

Self-employed income includes money earned from private activities and less regular income from the sale of domestic animals or products such as milk, eggs, cheese, butter and wool. It also includes proceeds from the sale of other agricultural goods and products such as wine, vodka, vegetable oil, flour and dried fruit. Social transfers may take the form of pensions and supplements or social assistance to vulnerable families or families with many children, orphans, disabled or blind people, or unemployed pensioners. Some households receive Internally Displaced Persons (IDP) or prevention and reintegration allowances. Private transfers include alimony, scholarships and cash assistance from relatives or friends living in Georgia while assistance from relatives, friends and others living abroad is counted under foreign transfers.

⁵ In 2011, 1 GEL had the same purchasing power as 0.98 international dollars (IMF World Economic Outlook Database, September 2011)

Figure 3.1 shows the change in total household income and its main components between 2009 and 2011. It exhibits that, when adjusted for inflation⁶, income from salaries, social transfers and self-employment has changed very little over the two years.

Figure 3.1: Changes in total household income sources from 2009 to 2011 (2009 prices)



3.1.2 Income per adult equivalent (PAE)

When we turn to household income expressed as PAE to take account of household size and age composition, the average in 2011 is 160.8 GEL, an increase from 139.7 GEL in 2009. The variation between urban and rural areas and variation between mountainous and lowland areas remains significant. On average, in urban areas incomes (PAE) are almost twice as high as in rural parts of Georgia. The higher incomes in the lowlands are attributable to the vast majority of towns and cities that are situated in those places.

Table 3.2: Average monthly equivalent household income (PAE GEL) by rurality and terrain in 2011

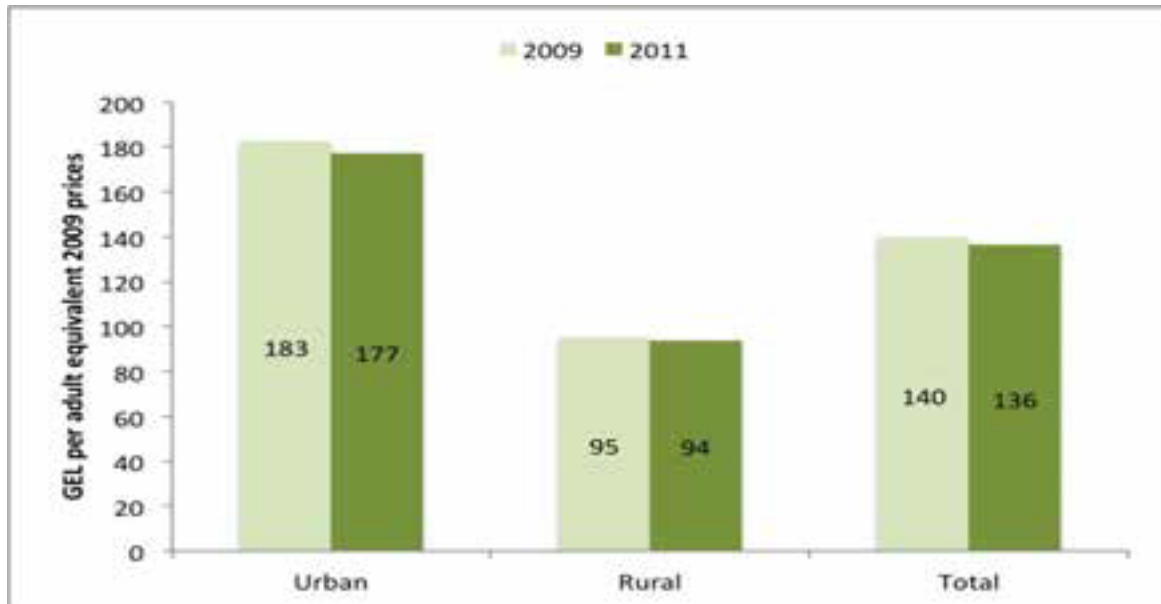
Location	n	Mean monthly income (PAE)	t	Sig.
Urban	2100	209.4	17.1	***
Rural	2047	110.9		
Total	4147	160.8		
Lowland	3796	165.8	7.38	***
Mountain	378	110.3		
Total	4147	160.8		

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001

⁶ See 2.2.4 above

On average, income per equivalent adult has increased by 15.1 per cent since 2009, when the average was 139.7 GEL. However, when adjusted for inflation⁷, the average monthly household income PAE actually fell by two per cent. Figure 3.2 shows the change that occurred in urban and rural areas.

Figure 3.2: Change in household income (PAE) between 2009 and 2011 (at 2009 prices)



There are also some differences in household income (PAE) between administrative regions. But although there is substantial intra-regional variation (Table 3.3), when adjusted for inflation, none of the apparent changes in mean household income PAE is statistically significant. Table 3.3 shows that the 95% confidence intervals for mean incomes in 2009 and 2011 overlap in each region and in the country as a whole.

⁷ See 2.2.4 above

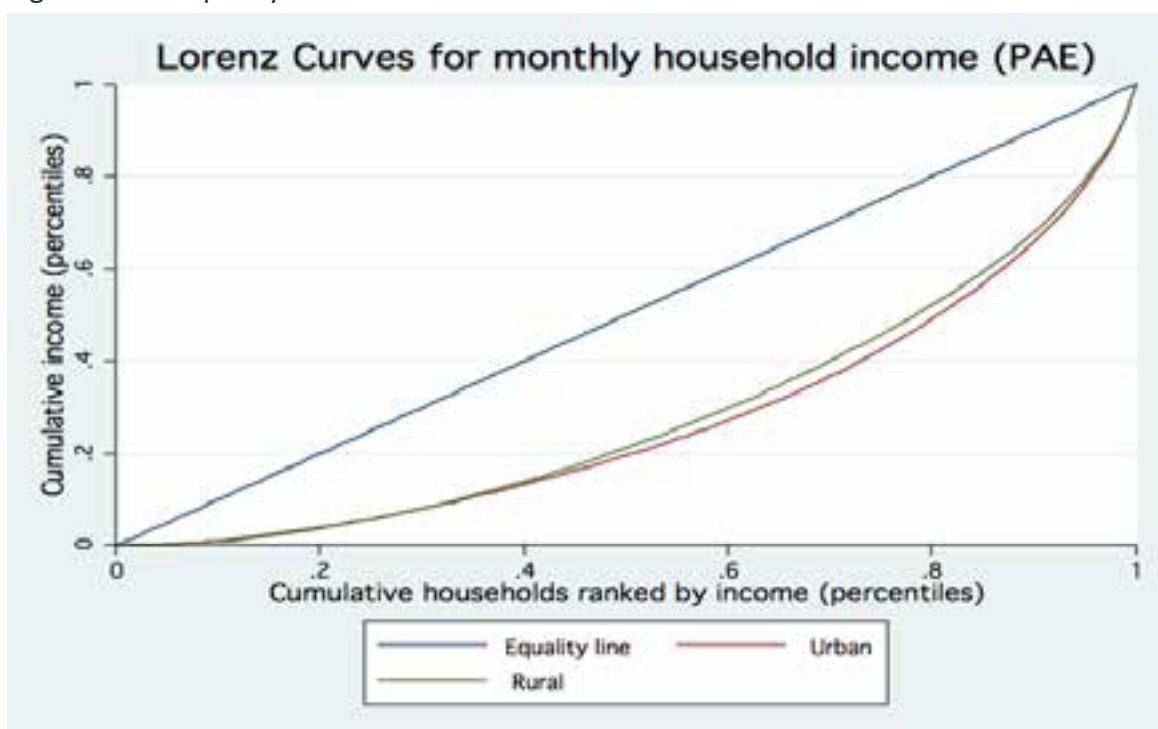
Table 3.3: Average monthly household income (GEL PAE) by region 2009 and 2011 with 95% confidence intervals

Region	2011 (n=4147)	2011 at 2009 prices (n=4147)			2009 (n=4808)		
		Lower bound	Mean	Upper bound	Lower bound	Mean	Upper bound
Tbilisi	236.1	187.0	200.1	213.2	195.8	211.0	226.2
Ajara	143.0	106.7	121.2	135.8	126.6	141.3	156.0
Guria	105.4	76.6	89.4	102.1	77.6	90.9	104.2
Imereti, Racha	143.4	113.7	121.5	129.3	113.3	120.7	128.2
Kakheti	150.6	112.5	127.6	142.8	105.6	117.5	129.4
Mtskheta-Mtianeti	118.1	79.7	100.1	120.4	91.6	113.0	134.5
Qvemo Kartli	132.3	100.0	112.1	124.3	99.0	109.2	119.3
Samtskhe-Javakheti	118.4	78.4	100.3	122.3	82.4	102.0	121.7
Samegrelo	124.6	95.5	105.6	115.6	85.2	94.4	103.7
Shida Kartli	116.8	88.8	99.0	109.1	102.5	115.5	128.5
Total	160.8	131.4	136.2	141.1	134.6	139.7	144.8

3.1.3 Income inequality

Degrees of inequality can be illustrated using Lorenz curves. The more an actual curve deviates from the diagonal, the more inequality is present. The Gini coefficient (calculated as twice the area between the curve and the diagonal) has a value of 0 for an equal distribution and 1 for maximum inequality. Urban incomes are more than twice as high as those in rural areas but are very unequally distributed. The Gini coefficient for incomes in 2011 was 0.48. In urban areas it was 0.46 compared to 0.44 in rural parts of the country (Figure 3.3).

Figure 3.3: Inequality in urban and rural incomes in 2011.



The total Gini is higher than the rural and urban coefficients because it takes into account income differences between urban and rural areas as well as differences within them. Inequality in income (PAE) was the same in 2011 as in 2009 for the country as a whole but it has decreased slightly from 0.47 to 0.46 in urban areas and from 0.46 to 0.44 in rural areas suggesting that urban-rural disparities in income have increased. This reflects the picture given in Table 3.2 above. Rural incomes are significantly lower on average than urban incomes. Figure 3.3 shows that low incomes are more evenly distributed across rural parts of the country while the higher incomes in urban areas are more unequally distributed.

3.2 Household consumption

3.2.1 Total consumption⁸

Consumption figures are always higher than those for income because of the role played by in-kind consumption, particularly in rural areas. In 2011, average total income of 374 GEL is 69 per cent of average consumption (542 GEL). In rural areas, where there is more dependence on home production, income is only 52 per cent of total consumption. In contrast, in urban areas, income represents 82 per cent of consumption.

Urban households spend considerably more than their rural counterparts on every category of consumption except food eaten in the home (Table 3.4). Average total spending on food is lower in urban (257 GEL) than in rural areas (269 GEL) and while this represents only 42 per cent of total consumption in the former, it represents 57 per cent in rural Georgia.

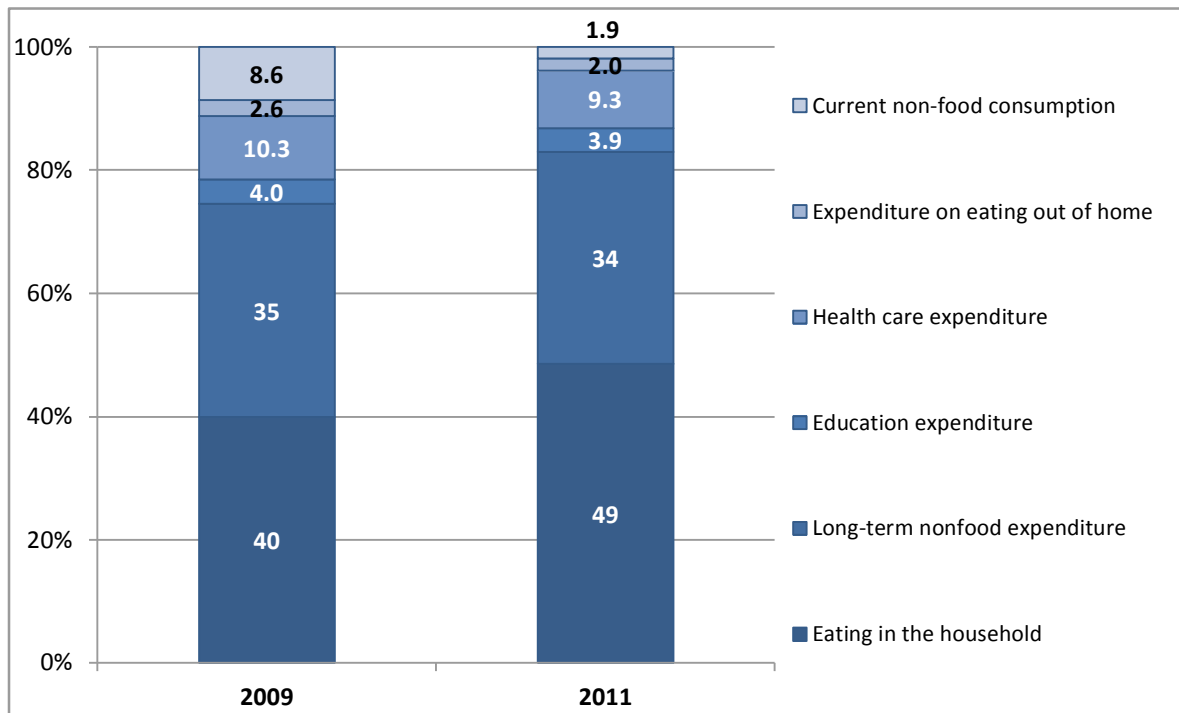
Table 3.4: Average monthly household consumption by category for urban and rural areas in 2009 (n=4808) and 2011 (n=4147)

Category of consumption	Urban or Rural 2011			
	Urban	Rural	Total 2011	Total 2009
Eating in the household	257.1	269.8	263.4	176.4
Long-term nonfood	234.1	138.2	186.8	152.4
Education	30.7	10.8	20.9	17.5
Health care	54.3	46.5	50.4	45.6
Eating out of home	16.7	5.0	10.9	11.4
Current non-food	14.2	5.9	10.1	38.1
Total monthly consumption	607.0	476.1	542.4	441.5

Since 2009, food eaten in the home has accounted for a significantly ($p < 0.05$) increased percentage of total household consumption, growing from 40 per cent to over 48 per cent in 2011. At the same time, the percentage accounted for by current non-food consumption has decreased (Figure 3.4) and these trends are evident in both urban and rural areas. Cutting back on non-food consumption might be interpreted as a coping strategy in times of reduced resources when food needs must still be met—especially considering the high rate of inflation for food prices.

⁸ The term consumption includes directly reported cash expenditure and other expenditure calculated from reported consumption.

Figure 3.4: Patterns of total household consumption in 2009 and 2011



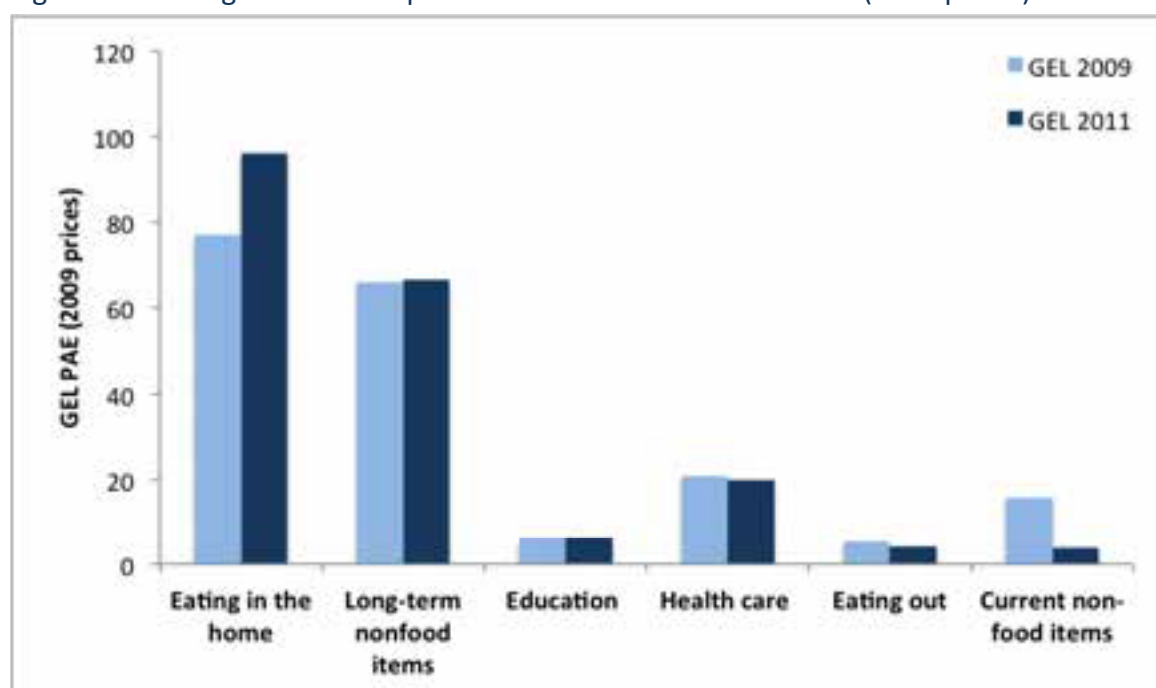
3.2.2 Household consumption per adult equivalent (PAE)

When household consumption is expressed per adult equivalent, the mean for 2011 is 232 GEL and the median is 182 GEL. Adjusting for inflation shows no significant change from the 2009 mean of 190.7 GEL. Rural households spend more on eating in the home (116 GEL) each month than urban households do (110 GEL) but spend significantly less on all other items except for health care. The average amount spent on eating in the home as a percentage of each household's combined total consumption is also higher in rural areas (62%) than in urban (50%). Table 3.5 shows the average amount (PAE) spent on each type of item together with the average percentage of total household expenditure accounted for by each type of item.

Table 3.5: Composition of average monthly household consumption per adult equivalent (PAE) by category for urban and rural areas in 2011 (n=4147)

	Urban		Rural		Total	
	GEL PAE	% of total	GEL PAE	% of total	GEL PAE	% of total
Eating in the home	110.1	50.4	116.4	62.1	113.4	56.2
Long-term nonfood items	97.9	33.3	58.8	25.2	78.6	29.3
Education	11.1	3.6	3.3	1.5	7.2	2.6
Health care	24.6	8.8	22.1	9.7	23.4	9.2
Eating out	8.2	1.8	1.7	0.6	5.0	1.2
Current non-food items	6.3	2.1	2.4	0.9	4.4	1.5
All monthly expenditure PAE	258.2		205.1		232.0	

Since 2009, inflation adjusted⁹ consumption of food in the home has shown the greatest increase while spending on current non-food items, usually minor expenditure on things such as newspapers and public transport fares, has fallen (Figure 3.5).

Figure 3.5: Changes in consumption PAE between 2009 and 2011 (2009 prices)

⁹ See 2.2.4 above

Tbilisi is the region with the highest total monthly consumption PAE at 270 GEL on average. Mtskheta-Mtianeti and Samegrelo have the lowest levels but, as for total income, there is a lot of variation within regions (Table 3.6).

Table 3.6: Average monthly household consumption (PAE) by region in 2011

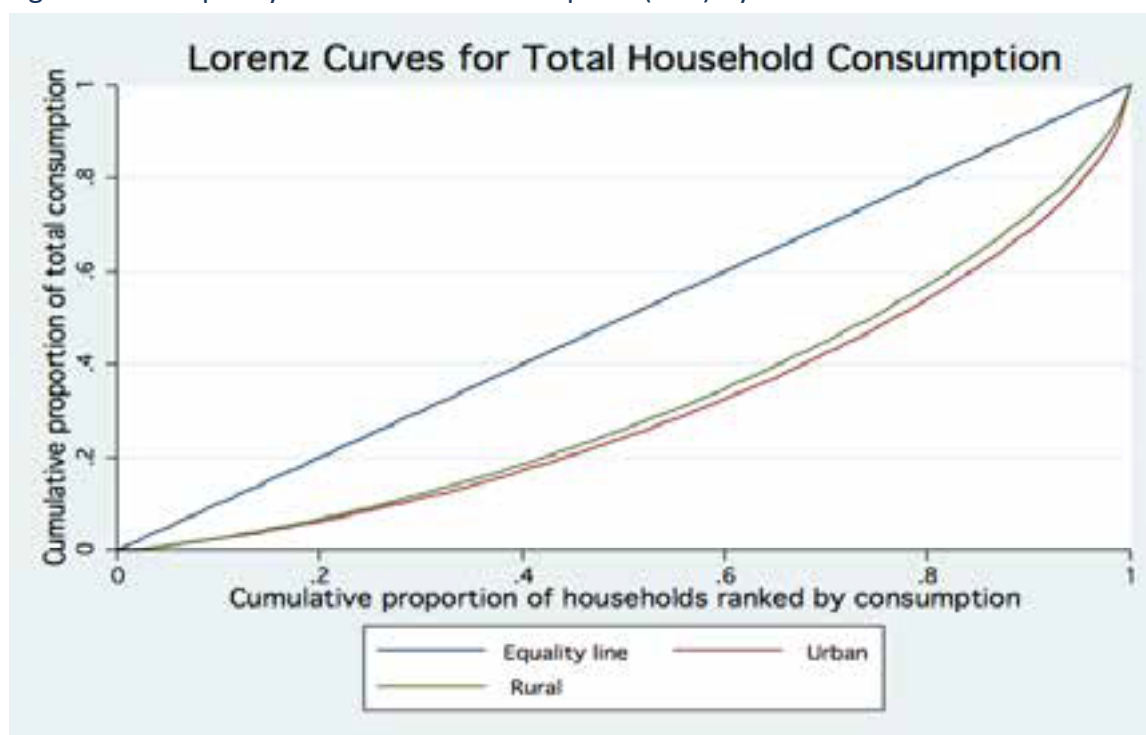
Region	Monthly household consumption (PAE)	Standard Deviation	inflation adjusted % change since 2009
Tbilisi	270.2	307.1	-7.3
Ajara	222.7	137.1	-6.4
Guria	192.6	73.4	42.2
Imereti, Racha	238.0	293.5	28.1
Kakheti	228.0	221.0	3.2
Mtskheta-Mtianeti	188.2	158.6	13.7
Qvemo qartli	231.6	218.3	20.3
Samtskhe-Javakheti	225.0	167.0	26.3
Samegrelo	165.9	122.9	-17.6
Shida Qartli	220.9	180.0	-1.7
Total	232.0	242.7	3.2

The percentage change in consumption PAE by region actually diverges from changes in income PAE over the same period. This again highlights the distinction between the two measures of households' access to resources. Overall the average PAE monthly consumption increased by 18 per cent in money terms but did not change significantly when adjusted for inflation.

3.2.3 Consumption inequality

Overall, inequality in household consumption PAE is lower (Gini coefficient = 0.38) than income PAE inequality (Gini coefficient = 0.48). However, as with income measurements, inequality in consumption is greater in urban (Gini coefficient = 0.39) than in rural areas (Gini coefficient = 0.36) but again the difference is not statistically significant (Figure 3.6). Inequality in consumption PAE was same in 2011 as in 2009.

Figure 3.6: Inequality in household consumption (PAE) by urban and rural areas.



4. Dimensions of wellbeing

This report considers the well-being of people in Georgia using a range of perspectives including levels and patterns of household consumption and material deprivation. Consumption (or income) based approaches to measuring poverty have long been dominant in most countries but recently more consideration has been given to other aspects of deprivation. This report seeks to assess poverty from all angles. In addition to measuring consumption poverty, this report examines the extent to which people feel able to meet their needs and the difficulties they face in obtaining access to the basic utilities of water, sanitation and heating. The report also assesses the social dimension of well-being in terms of access to education, employment, health care, financial services and social assistance. There are a number of reasons for employing consumption and other measures together.

A household's current level of consumption may not accurately reflect its experience of poverty. In cases where high consumption has been enjoyed in the past, the material goods accumulated may, to some temporary extent, cushion the effects of newly reduced purchasing power. This is likely to be most important where, for example, the global economic crisis or political strife and warfare have led to rapid negative changes in household circumstances. In other cases, households may have had low consumption previously but now are richer as a result of taking up employment. Here, increasing consumption levels may have not had time yet to translate into improvements in the standard of living.

4.1 Consumption poverty

The quantitative estimation of levels of poverty involves comparison of what households have, with what they might reasonably be expected to need. The resources they have that are assumed to reduce levels of poverty are measured in analyses of the WMS as consumption aggregates. The arguments for preferring consumption to income in quantifying monetary measures of poverty are well rehearsed by the World Bank¹⁰ including the idea that consumption is a better measure of the ability to meet need as well as being less sensitive to short-term fluctuations. The measure used here includes the value of food consumption in and outside the home as well as non-food consumption. It includes consumption from home production and in-kind consumption of goods and services.

The percentage of the population living in households where consumption is below a specified poverty threshold is known as the *headcount poverty rate*, whereas the percentage of households below the threshold is the *household poverty rate*. The *child¹¹ poverty rate* is the percentage of children who live in poor households. The

¹⁰ World Bank (2010), *Poverty Reduction and Equity*, Washington: World Bank.

¹¹ The Convention on the Rights of the Child defines child as a person under the age of 18 (UN Convention on the Rights of the Child, article 1). However, in this report we treat people aged 16

poverty gap for households, or people below a particular threshold, is the percentage of that threshold by which consumption would need to rise on average to bring poor households above the threshold.

4.1.1 Poverty thresholds

It is important to note that the choice of poverty thresholds used is a political one, reflecting levels of poverty that external observers, rather than the poor themselves, regard as demanding policy attention. The range of thresholds used in poverty assessment in Georgia, and the impact different measures have on poverty estimates, has been comprehensively examined in a recent report for the European Commission¹².

Whatever the shortcomings, measuring consumption-based poverty with a consistent threshold allows for comparison over time. This is generally the aim of panel data. To this end we have used here the same relative and absolute thresholds as in the report on the WMS 2009. In 2009 the relative threshold was based on the official threshold recommended by Geostat, 89.7 GEL a month (60 per cent of median consumption in 2009)¹³. Here we have recalculated this relative threshold for 2011. According to the WMS 2011 survey, the median household consumption (PAE) in 2011 was 181.93 GEL. The relative poverty threshold at 60% of median consumption is thus 109.2 GEL a month.

In addition, the WMS 2009 report used two absolute poverty thresholds: 61.1 GEL and 122.2 GEL a month, which were based on the US\$1.25 and US\$2.5 a day used by the World Bank to identify extreme poverty and general poverty. In the interests of comparability we use these extreme and general absolute poverty thresholds, but are updated to reflect 2011 prices using the consumer price index¹⁴ to give an extreme poverty threshold¹⁵ of 71.7 GEL and a general poverty threshold of 143.4 GEL a month PAE.

The number of households falling below the relative poverty line of 109.2 GEL fell significantly by 1.5 percentage points from 23.7 to 21.8 per cent between 2009 and 2011. The percentage of children living in poor households fell even more, by 3.2 percentage points (Table 4.1). Using the lowest threshold (71.7 GEL), nearly nine per cent of households in Georgia and over nine percent of the population still live in

years or more as adults in accordance with the cut-off point used by Geostat for calculating the number of equivalent adults in each household. The Georgia Poverty Assessment of the World Bank (2008) and the report on the WMS 2009 also uses this definition.

¹² European Union (2011) Social Protection and social inclusion in Georgia. Institute of Social Studies and Analysis (ISSA).

¹³ The 2009 Report uses the term 'official threshold' to describe the relative threshold used for that year. For 2011 we simply refer to it as the 'relative threshold'.

¹⁴ See 2.2.4 above

¹⁵ This is not to be confused with the relative measure of extreme poverty, 40 per cent of median PAE consumption, used by Geostat. That figure is 90 GEL based on the 2011 survey.

extreme poverty. However, the percentage of children in extremely poor households has fallen from 11.5 to 9.4. Under the more realistic general poverty threshold over a third of households and over 40 per cent of children remain poor.

Table 4.1: Comparison of consumption poverty rates in 2009 (n=4646 households; 16832 population; 3167 children; 3383 pensioners) and 2011 (n=4147 households; 14837 population; 2713 children; 3121 pensioners)

Poverty threshold	Measure	2009		2011	
		GEL	WMS	GEL	WMS
Extreme	% households	61.1	8.9	71.7	8.3
	% population		9.9		9.1
	% children		11.5		9.4
	% pensioners		7.3		8.1
Relative	% households	89.7	23.7	109.2	21.8
	% population		25.7		23.5
	% children		28.4		25.2
	% pensioners		22.2		21.3
General	% households	122.2	41.5	143.4	35.4
	% population		44.8		37.9
	% children		49.0		40.8
	% pensioners		41.7		36.6

4.1.2 Rural and urban poverty

Household poverty rates are significantly higher for rural than for urban areas on each of the three threshold measures. The average poverty gap, which had been consistently higher in urban areas in 2009, is now slightly higher in rural areas indicating that poverty may now be more profound in the countryside. Consumption would have to increase by nearly a third (30.5%) on average to lift rural households out of relative poverty in 2011.

Extreme poverty rates showed no significant change between 2009 and 2011 but the depth of extreme poverty, measured by the poverty gap, was significantly reduced in urban areas though not in rural areas where it actually increased (Table 4.2).

Table 4.2: Extreme Consumption Poverty Changes 2009 (n=4646) to 2011 (n=4147)

		2009	2011	% point change	Sig.
Household (%)	Urban	8.6	7.0	-1.6	ns
	Rural	9.3	9.6	0.3	ns
	Total	8.9	8.3	-0.6	ns
Poverty gap (%)	Urban	33.9	24.0	-9.9	*
	Rural	26.5	29.4	2.9	*
	Total	30.1	27.1	-3.0	*

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores.

Rural areas fared no better in terms of relative poverty gaps. While the urban poverty gap was not significantly reduced on the relative measure, the rural poverty gap increased significantly by four percentage points (Table 4.3).

Table 4.3: Relative Consumption Poverty Changes 2009 (n=4646) to 2011 (n=4147)

		2009	2011	% point change	Sig.
Household (%)	Urban	19.9	18.0	-1.9	ns
	Rural	27.7	25.6	-2.1	ns
	Total	23.7	21.8	-2.0	*
Poverty gap (%)	Urban	32.6	29.5	-3.1	ns
	Rural	26.5	30.5	4.0	*
	Total	29.1	30.0	0.9	ns

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores.

General poverty still affects over 40 per cent of rural households compared to 31 per cent of households in urban areas. However, there has been a significant fall in general poverty rates in all areas (Table 4.4). General poverty gaps have not significantly changed.

Table 4.4: General Consumption Poverty Changes 2009 (n=4646) to 2011 (n=4147)

		2009	2011	% point change	Sig.
Household (%)	Urban	34.9	30.8	-4.1	*
	Rural	48.3	40.1	-8.2	*
	Total	41.5	35.4	-6.1	*
Poverty gap (%)	Urban	34.7	31.9	-2.8	ns
	Rural	32.2	34.3	2.1	ns
	Total	33.1	33.2	0.1	ns

4.1.3 Regional variation

The highest headcount poverty rates for every threshold in 2011 are found in Samegrelo where poverty has increased sharply since 2009. Mtskheta-Mtianeti, which had the worst poverty in 2009, has seen declining headcount rates across all thresholds. On the other hand, extreme poverty in Ajara has increased significantly. Meanwhile, the lowest rates for 2011 at all thresholds are now in Guria (Tables 4.5a to 4.5c).

Table 4.5a: Regional variation in measures of extreme poverty in 2009 (Poverty threshold 61.1 GEL; n=4646) and 2011 (Poverty threshold 71.7 GEL; n=4147)

	Poverty rate (%) households)			Headcount rate (%) people)		
	2009	2011	Sig.	2009	2011	Sig.
Tbilisi	11.8	7.7	*	12.1	7.5	*
Ajara	1.1	7.5	*	1.6	9.5	*
Guria	2.6	1.5	§	3.6	1.7	ns
Imereti, Racha	9.7	5.7	*	11.2	6.0	*
Kakheti	9.4	6.2	ns	10.0	7.4	*
Mtskheta-Mtianeti	13.8	11.5	ns	15.8	9.3	*
Qvemo qartli	8.4	11.1	ns	9.8	11.7	ns
Samtskhe-Javakheti	8.3	6.0	ns	8.9	6.8	ns
Samegrelo	7.6	17.6	*	9.9	20.8	*
Shida Qartli	8.3	7.5	ns	10.0	10.0	ns
Total	8.9	8.3	ns	9.9	9.1	*

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores. § means the assumptions for the test are not met.

Table 4.5b: Regional variation in measures of relative poverty in 2009 (Poverty threshold 89.7 GEL; n=4646) and 2011 (Poverty threshold 109.2 GEL; n=4147)

	Poverty rate (%) households)			Headcount rate (%) people)		
	2009	2011	Sig.	2009	2011	Sig.
Tbilisi	20.6	17.6	ns	19.9	17.9	*
Ajara	12.7	17.3	ns	15.5	20.4	*
Guria	23.7	9.6	*	32.7	12.9	*
Imereti, Racha	28.5	21.3	*	30.8	23.5	*
Kakheti	25.1	23.6	ns	27.3	25.3	ns
Mtskheta-Mtianeti	37.1	32.0	ns	39.8	32.2	*
Qvemo qartli	27.5	20.0	*	31.3	21.2	*
Samtskhe-Javakheti	27.1	18.1	*	31.2	19.5	*
Samegrelo	24.4	37.9	*	28.6	42.7	*
Shida Qartli	19.9	25.0	ns	22.6	29.4	*
Total	23.7	21.8	*	25.7	23.5	*

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores.

Table 4.5c: Regional variation in measures of general poverty in 2009 (Poverty threshold 122.2 GEL; n=4646) and 2011 (Poverty threshold 143.4 GEL; n=4147)

	Poverty rate (% households)			Headcount rate (% people)		
	2009	2011	Sig.	2009	2011	Sig.
Tbilisi	33.7	31.0	ns	33.6	31.8	ns
Ajara	31.2	27.0	ns	38.2	32.9	*
Guria	50.3	20.7	*	61.8	24.9	*
Imereti, Racha	48.9	34.9	*	53.6	37.8	*
Kakheti	42.8	40.1	ns	45.8	41.3	*
Mtskheta-Mtianeti	59.5	48.5	ns	62.5	49.5	*
Qvemo qartli	49.2	31.0	*	54.9	33.5	*
Samtskhe-Javakheti	50.2	29.1	*	55.8	31.0	*
Samegrelo	42.1	54.8	*	46.0	61.3	*
Shida Qartli	32.1	40.4	*	35.7	45.8	*
Total	41.5	35.4	*	44.8	37.9	*

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores.

The depth of poverty across the country as a whole, measured by the poverty gap, has changed little since 2009. Among the extremely poor, however, it has almost halved in Tbilisi and Shida Qartli but has increased substantially in Ajara, Qvemo qartli and Samtskhe-Javakheti, all in the southern part of the country. A similar pattern is seen in the changing gap for relative poverty and, though the changes are less marked, for general poverty (Table 4.6).

Table 4.6: Poverty gaps at three thresholds for 2009 and 2011

	Average poverty gap (%)					
	Extreme		Relative		General	
	2009	2011	2009	2011	2009	2011
Tbilisi	36.2	19.2	38.9	30.3	38.8	31.7
Ajara	11.2	30.4	15.8	31.1	23.3	35.2
Guria	15.7	16.7	17.3	19.8	25.7	23.7
Imereti, Racha	24.2	30.1	26.1	26.1	32.4	31.4
Kakheti	23.3	24.9	27.0	26.0	33.3	30.5
Mtskheta-Mtianeti	28.5	25.0	28.2	27.8	34.0	33.5
Qvemo qartli	27.9	44.4	25.8	42.8	31.9	40.2
Samtskhe-Javakheti	23.8	32.2	24.6	27.8	30.1	31.8
Samegrelo	31.0	25.5	28.6	32.9	33.0	37.4
Shida Qartli	38.9	19.1	33.3	26.5	36.2	31.8
Total	30.1	27.1	29.1	30.0	33.2	33.2

4.1.4 Children in households

In 2009 poverty rates were significantly higher in households that had children than in those without and in 2011 this difference persists (Table 4.7a to 4.7c). As the *number* of children in the household increases, poverty rates measured on the extreme, relative and general thresholds are all significantly higher. Using the relative poverty line for example, 23.7 per cent of households with one or two children are living in poverty. This figure rises significantly to over 30 per cent for households with three or more children.

Table 4.7a: Variation in extreme poverty for households with different numbers of children in 2009 and in 2011

Type of household	Poverty rate (% households)	χ^2 Sig.	Poverty rate (% households)	χ^2 Sig.
	2009		2011	
With no children	7.8	**	7.2	**
With children	10.5		9.9	
With no children	7.8	***	7.2	**
With 1 or 2 children	9.8		10.0	
With 3+ children	16.0		9.5	
Total	8.9		8.3	

Table 4.7b: Variation in relative poverty for households with different numbers of children in 2009 and in 2011

Type of household	Poverty rate	χ^2 Sig.	Poverty rate	χ^2 Sig.
	(% households)		(% households)	
	2009		2011	
With no children	21.5	***	19.9	***
With children	26.8		24.5	
With no children	21.5	***	19.9	***
With 1 or 2 children	25.4		23.7	
With 3+ children	36.7		30.1	
Total	23.7		21.8	

Table 4.7c: Variation in general poverty for households with different numbers of children in 2009 and in 2011

Type of household	Poverty rate	χ^2 Sig.	Poverty rate	χ^2 Sig.
	(% households)		(% households)	
	2009		2011	
With no children	38.3	***	33.0	***
With children	46.0		39.0	
With no children	38.3	***	33.0	***
With 1 or 2 children	44.2		37.5	
With 3+ children	59.1		49.5	
Total	41.5		35.4	

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

The overall child poverty rate - the percentage of all children living in poor households - varied between 11.5 per cent and 49 per cent of all children in 2009, depending on the threshold used. In 2011 it has fallen and now ranges from 9.4 to 40.8 per cent between thresholds (Table 4.8). However, for every threshold the percentage of children living in poor households is still higher than the headcount for the whole population and higher than the rate of pensioners.

Table 4.8: Poverty rates for children and pensioners in 2009 and 2011

% poor	Poverty threshold					
	Extreme 2009	Extreme 2011	Relative 2009	Relative 2011	General 2009	General 2011
Households	8.9	8.3	23.7	21.8	41.5	35.4
Children	11.5	9.4	28.4	25.2	49.0	40.8
Pensioners	7.3	8.1	22.2	21.3	41.7	36.6
Population	9.9	9.1	25.7	23.5	44.8	37.9

4.1.5 Pensioner households

Pensioners in Georgia are defined here as men over 65 years old and women who are over 60 . Over half (52%) of all households include at least one pensioner and 44 per cent of households with children include one pensioner or more. Here we compare households consisting only of pensioners with other types of household. Poverty rates are consistently lower in pensioner-only compared to other types of household as they were in 2009. They are even lower in households with more than one pensioner (Table 4.9a to 4.9c).

Table 4.9a: Extreme Poverty Variation with Pensioner Household Type 2009 and 2011

Type of household	Poverty rate (% households)	χ^2 Sig.	Poverty rate (% households)	χ^2 Sig.
	2009		2011	
Not pensioners only	9.5	*	9.0	**
Single pensioner	6.2		4.9	
Pensioner only	6.0		5.4	
household with more than 1 pensioner				
Total	8.9		8.3	

Table 4.9b: Relative Poverty Variation with Pensioner Household Type 2009 and 2011

Type of household	Poverty rate (% households)	χ^2 Sig.	Poverty rate (% households)	χ^2 Sig.
	2009		2011	
Not pensioners only	24.5	*	23.0	***
Single pensioner	18.8		14.8	
Pensioner only	21.1		17.9	
household with more than 1 pensioner				
Total	23.7		21.8	

Table 4.9c: General Poverty Variation with Pensioner Household Type 2009 and 2011

Type of household	Poverty rate (% households)	χ^2 Sig.	Poverty rate (% households)	χ^2 Sig.
	2009		2011	
Not pensioners only	42.6	**	36.6	***
Single pensioner	34.0		28.5	
Pensioner only	38.3		31.9	
household with more than 1 pensioner				
Total	41.5		35.4	

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

However, Table 4.10 shows that for pensioners living alone and in poverty, the depth of extreme and relative poverty has increased. Consumption would need to rise by almost a third of the relative threshold on average to lift them out of poverty.

Table 4.10: Poverty gaps for single pensioner only households in 2009 and 2011

Poverty threshold	Poverty gap 2009	Poverty gap 2011
Extreme	29.5	41.1
Relative	27.0	30.6
General	32.4	28.6

4.1.6 Minority group households

The situation of people from national minority groups, particularly Azeri and Armenian people, in Georgia is receiving increasing attention with regard to poverty and social exclusion¹⁶. According to the WMS 2011, Azeri and Armenian households constitute 4.8 and 4.4 per cent respectively of all households but they are over-represented on all poverty measures (Tables 4.11a to 4.11c). Azeri households are more than twice as likely as others to be in extreme poverty.

¹⁶ UNICEF Annual Report 2010, Georgia; European Union (2011) Social Protection and social inclusion in Georgia. Institute of Social Studies and Analysis (ISSA).

Table 4.11a: Variation in measures of extreme poverty (< 71.7 GEL) with Azeri nationality in 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Azeri	17.9	***	49.6	***	18.6	17.9
Non-Azeri	7.8		24.5		8.5	8.9
Total	8.3		27.1		9.1	9.4

Table 4.11b: Variation in measures of relative poverty (< 109.2 GEL) with Azeri nationality in 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Azeri	26.9	ns	49.1	***	29.4	34.3
Non-Azeri	21.5		28.8		23.2	24.5
Total	21.8		30.0		23.5	25.2

Table 4.11c: Variation in measures of general poverty (< 143.4 GEL) with Azeri nationality in 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Azeri	38.0	ns	46.0	***	40.0	46.5
Non-Azeri	35.3		32.5		37.8	40.5
Total	35.4		33.2		37.9	40.8

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001

Especially marked is the extent of the poverty gap for Azeri families, significantly higher than for other types of household at every poverty threshold.

In contrast, Armenian households do not fare significantly worse than households of other nationalities. Indeed their relative and general poverty rates are lower (Tables 4.12a to 4.12c). This is the case even when we exclude Azeri households from the analysis.

Table 4.12a: Variation in measures of extreme poverty (< 71.7 GEL) with Armenian nationality in 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Armenian	3.8	ns	39.9	ns	4.6	7.6
Non-Armenian	8.5		26.8		9.3	9.5
Total	8.3		27.1		9.1	9.4

Table 4.12b: Variation in measures of relative poverty (< 109.2 GEL) with Armenian nationality in 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Armenian	14.2	*	27.4	ns	16.3	20.4
Non-Armenian	22.1		30.1		23.8	25.4
Total	21.8		30.0		23.5	25.2

Table 4.12c: Variation in measures of general poverty (< 143.4 GEL) with Armenian nationality in 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Armenian	20.8	***	34.0	ns	21.5	22.1
Non-Armenian	36.1		33.2		38.7	41.6
Total	35.4		33.2		37.9	40.8

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001

4.1.7 Poverty and education

Lower poverty rates for households, population and children are all generally associated with higher levels of education attained by adults in the household. Poverty gaps also fall with increasing levels of education (Tables 4.13a to 4.13c).

Table 4.13a: Variation in measures of extreme poverty (Poverty line = 71.7 GEL) with the highest education level attained by anyone in the household 2011

	Household poverty (%)	χ^2 Sig.	Poverty gap (%)	Anovar Sig.	Headcount rate (%)	Child poverty (%)
Education level:						
None	12.9	***	40.4	**	14.2	16.4
Secondary	12.5		29.2		15.1	14.5
Vocational	10.4		22.4		11.2	11.8
Higher	4.0		23.7		4.6	5.0
Total (n=4147)	8.3		27.1		9.1	9.4

Table 4.13b: Variation in measures of relative poverty (Poverty line = 109.2 GEL) with the highest education level attained by anyone in the household 2011

	Household poverty (%)	χ^2 Sig.	Poverty gap (%)	Anovar Sig.	Headcount rate (%)	Child poverty (%)
Education level:						
None	27.0	***	36.3	***	31.4	41.7
Secondary	31.0		31.8		35.2	38.1
Vocational	25.8		29.7		27.3	27.8
Higher	13.5		26.0		15.0	15.4
Total (n=4147)	21.8		30.0		23.5	25.2

Table 4.13c: Variation in measures of general poverty (Poverty line = 143.4 GEL) with the highest education level attained by anyone in the household 2011

	Household poverty (%)	χ^2 Sig.	Poverty gap (%)	Anovar Sig.	Headcount rate (%)	Child poverty (%)
Education level:						
None	40.3	***	38.3	***	44.4	53.2
Secondary	46.8		35.8		51.6	55.2
Vocational	41.0		33.9		44.3	45.5
Higher	25.0		28.7		27.3	29.5
Total (n=4147)	35.4		33.2		37.9	40.8

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001

The education of women in households is particularly important. Of households where no women over 15 have education at secondary school level, nearly 12 per cent are living in extreme poverty. The relationship between women's education and poverty status becomes more marked as the poverty threshold gets higher. In terms of both relative and general poverty, both the percentage of poor households and the percentage of people affected decrease sharply with increasing educational achievements of women.

The poverty gap decreases on average with women's education, reflecting not only greater command over resources but also perhaps more choices about the balance between family care and paid work (Tables 4.14a to 4.14c¹⁷).

¹⁷ These tables are based on analyses that exclude all-male households.

Table 4.14a: Variation in measures of extreme poverty (Poverty line = 71.7 GEL) with the highest education level attained by women in the household 2011

	Household poverty (%)	χ^2 Sig.	Poverty gap (%)	Anovar Sig.	Headcount rate (%)	Child poverty (%)
Highest female education level:						
None	11.6	***	39.3	**	13.1	13.1
Secondary	12.1		28.0		14.4	14.5
Vocational	8.8		19.0		9.1	9.8
Higher	3.5		23.3		4.1	4.2
Total (n=3914)	8.1		26.1			

Table 4.14b: Variation in measures of relative poverty (Poverty line = 109.2 GEL) with the highest education level attained by women in the household 2011

	Household poverty (%)	χ^2 Sig.	Poverty gap (%)	Anovar Sig.	Headcount rate (%)	Child poverty (%)
Highest female education level:						
None	28.8	***	33.9	***	33.2	38.7
Secondary	30.1		31.2		34.0	36.5
Vocational	22.3		28.8		23.3	24.2
Higher	12.5		25.3		13.7	13.9
Total (n=3914)	21.6		29.7			

Table 4.14c: Variation in measures of general poverty (Poverty line = 143.4 GEL) with the highest education level attained by women in the household 2011

	Household poverty (%)	χ^2 Sig.	Poverty gap (%)	Anovar Sig.	Headcount rate (%)	Child poverty (%)
Highest female education level:						
None	42.3	***	36.9	***	46.8	52.1
Secondary	45.0		35.7		49.6	52.3
Vocational	37.1		32.4		39.5	40.8
Higher	24.2		28.0		26.2	29.0
Total (n=3914)	35.2		33.0			

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001

4.1.8 Poverty and employment

The Welfare Monitoring Survey provides data about whether each household member over 15 years old (or below 15 if working) was engaged in any activity (even if only for one hour) during the previous week. We have used the data to construct three various measures of the employment status of households. The first records whether any member of the household works in a private or public institution or organisation on a salary or wage, or is self-employed in a trade, craft or professional activity. These people are assumed to be regular *earners*. The second measure of employment includes regular earners together with people who work their own land, take care of livestock, do other agricultural work or have temporary jobs with remuneration in cash or kind. These people are *employed in some way*, whether or not they earn cash on a regular basis. Using the third measure, households are deemed to include at least one employed person if anyone in the household is *employed or owns land*, whether or not they work that land themselves. The relative frequencies of households in each category are shown in Table 4.15. None of these measures represents the unemployment rate, the percentage of people who are out of work.

The table shows that fewer households had no-one in employment in 2011 than in 2009 under each of the three definitions. While the difference is statistically significant for the two more broadly defined measures, there has been no significant fall in the percentage of households without any earners.

Table 4.15: Employment status of households in 2009 and 2011 using three different definitions to provide three household categories

Household status	% of households 2009 (n=4646)	% of households 2011 (n=4147)	Significance of difference
No earner	60.5	58.6	ns
No-one employed	42.2	36.9	**
No-one employed or a land owner	19.4	17.3	*

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

Tables 4.16a to 4.16c compare households in each 'unemployment' category with all other households. Households with anyone employed in any of the three senses described above have significantly lower poverty rates than where no-one is employed. Having a member of the household in regular paid work reduces the risk of extreme child poverty by a factor of five.

Table 4.16a: Variation in measures of extreme poverty (< 71.7 GEL) with measures of employment in households 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Any earners	3.3	***	25.2	ns	3.4	2.9
No earner	11.9		27.5		14.4	16.6
Anyone employed	6.5	***	26.8	ns	7.1	6.9
No-one employed	11.4		27.4		13.9	17.1
Anyone employed or a landowner	7.4	***	28.6	ns	8.1	8.5
No-one employed or a landowner	12.6		22.9		15.3	16.6
Total	8.3		27.1		9.1	9.4

Table 4.16b: Variation in measures of relative poverty (< 109.2 GEL) with measures of employment in households 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Any earners	11.6	***	25.1	***	12.3	11.8
No earner	28.9		31.4		34.0	39.8
Anyone employed	18.2	***	28.9	ns	19.5	19.9
No-one employed	27.9		31.4		33.4	41.2
Anyone employed or a landowner	20.1	***	29.6	ns	21.4	22.3
No-one employed or a landowner	29.7		31.5		37.4	47.5
Total	21.8		30.0		23.5	25.2

Table 4.16c: Variation in measures of general poverty (< 143.4 GEL) with measures of employment in households 2011 (n=4147)

	Household poverty rate (%)	χ^2 Sig.	Poverty gap (%)	t-test sig	Headcount rate (%)	Child poverty (%)
Any earners	24.3	***	27.0	***	26.6	28.7
No earner	43.3		35.7		48.5	54.2
Anyone employed	31.4	***	31.7	**	34.0	36.6
No-one employed	42.2		35.2		47.5	53.7
Anyone employed or a landowner	33.5	***	32.7	*	36.0	38.3
No-one employed or a landowner	44.4		35.4		50.8	60.3
	35.4		33.2		37.9	40.8

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001

These tables, however, must be interpreted with caution because of the definitions of employment status described above. While questions relating to employment activities refer only to the week prior to the survey, the assessment of poverty is based on questions relating to consumption during the previous year (health care, education, long-term non-food expenditure) or week (food expenditure in and outside the home and current non-food expenditure). A household may have no members who have been employed in any way during the previous week and be classed as no employment but one or more people in the household may have been engaged in employment activity at other points during the year and thus have a higher overall consumption level than might be expected from its employment status. The 87 per cent of households with no employment or land ownership but which are not in extreme poverty, for example, have an average PAE income of 139 GEL a month (median 118 GEL). Questions on income relate to the past month (regular income) and year (non-regular income) so it is likely that some of these households had employment but not in the particular week before the survey.

4.2 Material deprivation

4.2.1 Durable household goods

Material deprivation is measured here in terms of certain durable goods in a household. As in the 2009 report, the following items have been included in the analysis: cars, cell phones, washing machines, televisions, refrigerators, vacuum cleaners, and irons (Table 4.17).

Table 4.17: Lack of selected durable goods in households 2011 (n=4147)

	% of households lacking item	% of population living in such households	% of all children living in such households	% of all pensioners living in such households
Vacuum cleaner	76.9	74.1	71.9	79.3
Car	76.1	70.4	66.8	77.5
Washing machine	59.8	54.7	49.8	62.9
Refrigerator	32.9	29.9	28.4	32.9
Cell phone	20.5	14.2	10.2	26.4
Iron	14.8	11.5	9.5	17.2
Television	7.1	4.7	4.1	7.3

As in 2009, pensioners are over-represented in households lacking each of the selected items, particularly electronic goods such cell phones and televisions. However, the percentage of households lacking each type of item is lower than in 2009 and the difference is significant in every case except for lacking an iron (Table 4.18).

Table 4.18: Lack of key household items in 2009 and 2011

	% of households lacking item 2009	% of households lacking item 2011	Significance of difference
Vacuum cleaner	79.3	76.9	**
Car	78.7	76.1	**
Washing machine	67.7	59.8	**
Refrigerator	42.8	32.9	**
Cell phone	34.9	20.5	**
Iron	15.1	14.8	ns
Television	8.7	7.1	**

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

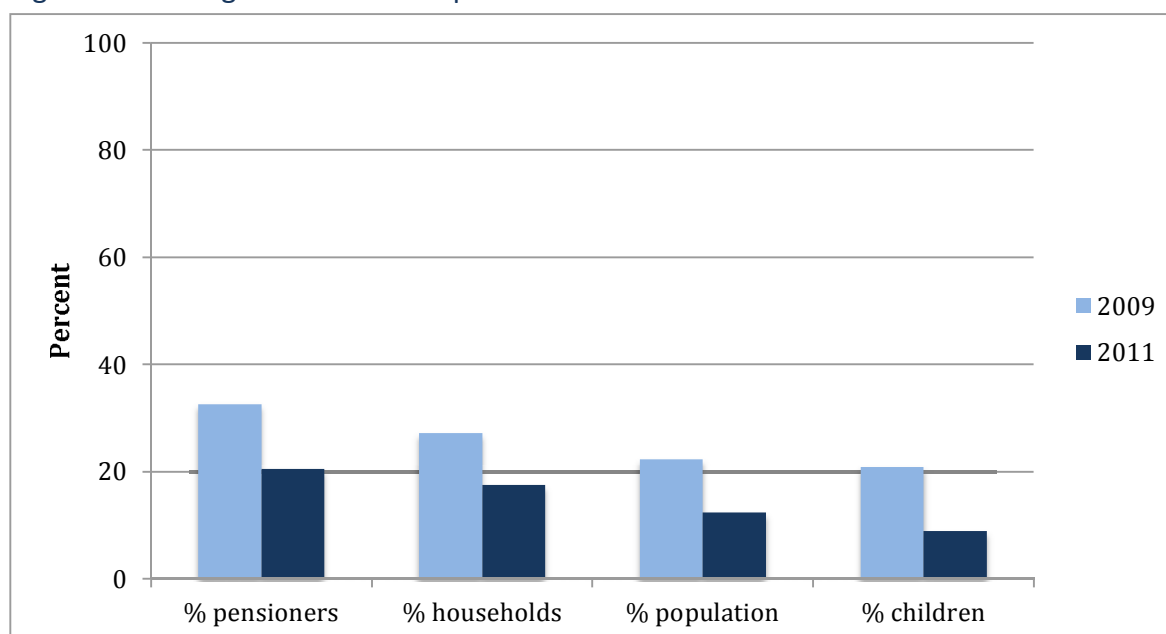
We regard a household as materially deprived if it lacks five or more of the listed items. Table 4.19 shows that, on this measure, only 17.5 per cent of households are deprived compared with 27.2 per cent in 2009.

Table 4.19: Number of selected durable goods lacked by households in 2011. Shaded cells indicate households lacking 5 or more types of goods (n=4147).

Number of selected types of item lacked	% of households lacking	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
0	9.2	11.3	12.6	7.7
1	15.9	18.3	21.0	14.4
2	17.2	18.7	19.1	16.5
3	20.2	20.7	19.6	21.1
4	19.9	18.7	18.9	19.8
5	10.0	8.0	6.2	11.9
6	5.3	3.4	2.3	6.0
7	2.2	1.0	0.4	2.6

This material deprivation still affects proportionately more pensioners (20.5%) than children (8.9%) or the population as a whole (12.4%) but for every group the extent of material deprivation has fallen over the two years (Figure 4.1).

Figure 4.1: Changes in material deprivation between 2009 and 2011



4.2.2 Housing conditions

Table 4.20 shows that the most frequently reported kinds of housing problem in 2011 are leaking roofs, damp dwellings and damaged roofs, floors and walls.

Table 4.20: Housing problems reported by households in 2011 (n=4147).

	% of households experiencing problem	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
Damaged, leaking roof	39.0	38.1	36.9	42.2
Damaged floor or walls	38.6	36.4	35.0	41.1
Earth floor	12.8	12.2	11.5	13.4
Dwelling is damp	40.7	39.8	38.6	42.1
Broken windows	18.4	17.4	16.8	19.1
Insufficient light	11.9	11.6	12.1	11.6
Noise	10.3	10.0	9.3	10.3
Dwelling too small	22.8	27.6	32.4	10.0

With the exception of insufficient light¹⁸, the percentage of households experiencing each housing problem has decreased since 2009. Also declining significantly is the percentage of children living in problematic housing (Table 4.21).

Table 4.21: Percentage of children living in households experiencing housing problems in 2009 and 2011

	2009	2011	Significance of difference
Damaged, leaking roof	43.0	36.9	**
Damaged floor or walls	40.3	35.0	**
Earth floor	13.9	11.5	**
Dwelling is damp	43.1	38.6	**
Broken windows	20.3	16.8	**
Insufficient light	11.6	12.1	ns
Noise	10.2	9.3	ns
Dwelling too small	39.2	32.4	**

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

¹⁸ According to survey interviewers, the term 'insufficient light' was interpreted differently by different respondents so this may explain the anomaly in change over time.

Households are deemed to be experiencing housing deprivation if they experience at least two major housing problems from the list above and the dwelling condition is confirmed by the interviewer to be in bad or very bad condition. Under this definition, the household rate of housing deprivation was 26 per cent in 2011 (Table 4.22a).

Table 4.22a: Households and groups experiencing housing deprivation in urban and rural areas in 2011

	Urban	Rural	Total	Significance of difference
% of households in housing deprivation	17.5	34.5	25.9	*
% of total population living in such households	15.9	31.8	23.8	*
% of all children living in such households	14.6	30.4	22.2	*
% of all pensioners living in such households	20.7	34.8	28.3	*

ns Not significant; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (Difference in Proportions Test based on z-scores)

Housing deprivation is significantly worse in rural compared with urban areas. Twice as many residents and more than twice as many children in rural areas live in housing deprived households than in urban areas.

The household rate of housing deprivation has not fallen significantly since 2009. However, the percentage of children living in households suffering housing deprivation has declined significantly from over 27 per cent in 2009 to just over 22 per cent in 2011. For pensioners housing deprivation remains a problem (Table 4.22b).

Table 4.22b: Households and groups experiencing housing deprivation in 2009 compared to 2011.

	2009	2011	Significance of difference
% of households in housing deprivation	27.6	25.9	ns
% of total population living in such households	26.5	23.8	**
% of all children living in such households	27.5	22.2	**
% of all pensioners living in such households	28.9	28.3	ns

ns Not significant; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (Difference in Proportions Test based on z-scores)

4.2.3 Double material deprivation

Double material deprivation refers to households who lack durable goods but also have poor housing conditions. The percentage of all households experiencing double material deprivation decreased by nearly a third from 15.0 in 2009 to 10.6 in 2011. This decline benefited the population, pensioners and children. The percentage of all children living in households experiencing double material deprivation fell significantly from 13 to 5.7 over the two years (Table 4.23).

Table 4.23: Households and groups experiencing double material deprivation in 2009 and 2011.

	2009	2011	Significance of difference
% of households	15.0	10.6	**
% of total population living in such households	12.7	7.6	**
% of all children living in such households	13.0	5.7	**
% of all pensioners living in such households	17.7	12.3	**

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

4.3 Subjective poverty

Subjective poverty is based on the self-assessment of households. Households are considered subjectively poor by stating either that they cannot provide themselves with enough food, or that they feed themselves so poorly that their health is endangered. Forty per cent of all households are subjectively poor on this criterion, which is not significantly fewer than in 2009. So while poverty on other thresholds has declined people's perceptions of being in poverty have not drastically changed. These subjectively poor households contain 36 per cent of the population, 32 per cent of all children and 43 per cent of all pensioners. Again, it is children who have fared best over the past two years according to this criterion. The decrease from 36 per cent of all children in subjectively poor households in 2009 is significant at the 99 per cent level (Table 4.24).

Table 4.24: Changes in subjective poverty rates between 2009 and 2011

	2009	2011	Significance of difference
% of households in subjective poverty	39.2	40.8	ns
% of total population living in such households	36.9	36.3	**
% of all children living in such households	36.3	32.1	**
% of all pensioners living in such households	43.7	43.3	ns

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

Table 4.25: Changes in the subjective evaluation of well-being between 2007 (LSMS), 2009 (WMS) and 2011 (WMS).

World Bank category	Questionnaire response	% of total population (WB 2007)	% of total population (WMS2009)	% of total population (WMS2011)
Good	We easily satisfy our daily and other consumer needs	2.7	0.9	1.6
Average	We can more or less satisfy our daily and other consumer needs	27.8	22.2	24.3
Poor	Our income (including in-kind) is only enough for food	34.9	39.1	37.7
Very poor	We cannot provide ourselves even with sufficient food	24.9	29.0	27.1
Extreme poor	We feed ourselves so poorly that our health is under threat	9.8	8.8	9.2

Table 4.25 shows headcount subjective poverty rates for 2009 and 2011. The World Bank figures for 2007 are also shown for comparison, although the methods to derive these were not identical. The percentage of people who are living in households that describe their situations as being in the 'good' or 'average' categories increased significantly between 2009 and 2011 while the 'poor' and 'very poor' groups decreased. The rather worrying increase in the percentage of people living in extremely poor households is not statistically significant.

In 2011, unemployment of family members remained the most frequently reported main problem facing households although the percentage of households with unemployment fell from 36 to 32 per cent (Table 4.26). The number of households identifying their main problem as buying medicines also fell even though there was an increase in problems of gaining access to medical services.

Table 4.26: Main problems reported by households in 2011 compared with 2009. (All differences between household percentages are significant at the 95% level unless otherwise indicated)

Problem	% of households 2009	% of total population living in such households 2009	% of households 2011	% of total population living in such households 2011
Unemployment	36.3	42.2	32.2	38.8
Buying medicines	17.5	13.3	14.6	11.3
Medical services	14.3	12.5	18.7	15.7
Housing conditions	9.3	9.3	9.1 (ns)	8.9
Hunger or malnutrition	8.1	7.3	6.8	5.3
Paying debt or bank loans	5.8	7.2	9.4	10.8
Paying utility charges	5.7	5.0	6.8	6.5
Leisure or entertainment	1.7	1.8	1.0	1.1
Buying clothes	0.5	0.7	0.5 (ns)	0.7 (ns)
Furniture	0.4	0.4	0.3 (ns)	0.3 (ns)
Buying school items	0.3	0.4	0.5 (ns)	0.7 (ns)
Total	100.0	100.0	100.0	100.0
Number of cases	4624	16899	3932	14219

ns: Change in % of households between years is not significant

Of course, different types of households do experience different types of problems. In two thirds of households consisting of only one or more pensioners, buying medicines or medical services was the main problem experienced. In other types of household this figure was only a quarter, while 39 per cent saw unemployment as their main worry.

In households with children the problem of unemployment was particularly common (41.4% of households). The percentage of households with children in which paying off debts or bank loans was the main problem was over twice as high (9%) as in childless households (4%) in 2009. By 2011 the extent of this problem had increased by a third, affecting 12 per cent of households with children. Meanwhile, the problem of meeting utility charges increased across all households but was identified as the main problem by eight per cent of households with children compared to only six per cent of those without. Clearly there are specific problems which households with children face at a much higher rate than others.

4.4 Lack of utilities

Although utility charges were identified as the main problem by eight per cent of households with children, lack of affordability is not the only cause of utility deprivation. There are some households that do not have adequate physical access to utility services.

Comparison with 2009

In the report on the 2009 WMS, a household was deemed to lack utilities if it experienced difficulties in obtaining adequate access to water, sanitation or heating:

- a. *Water*: a household is deemed to be in difficulty if there is no supply of cold water or no supply inside the dwelling.
- b. *Sanitation*: sanitation is deemed to be problematic if a household has no sewerage system or no available bathroom.
- c. *Heating*: households where the dwelling was practically not heated during the past winter or where annual spending on domestic fuel accounted for more than 10 per cent of total annual household expenditure.

Using the same definitions for 2011, Table 4.27 shows how many households were experiencing problems in meeting their most basic needs for water, sanitation and heating.

Table 4.27: Households People Affected Lacking Access to Utilities in 2011 (n=4147)

	% of households experiencing problem	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
Water	42.8	42.6	42.2	46.8
Sanitation	56.4	56.6	56.4	61.0
Heating	18.5	13.4	9.0	21.2

There has been a significant improvement in access to water, the percentage of households with no cold water or no supply inside the dwelling falling from 48 to 43 per cent over the two years. Nevertheless, 42 per cent of all children still live in dwellings with no water supply. There has been no significant change in the percentages of people and households affected by lack of sanitation since 2009 and the levels of poor facilities remain high. Lack of heating also persists at a similar level to 2009 and keeping warm continues to be a particular problem for people over pensionable age.

The lack of access to utilities can be regarded as a dimension of poverty. Just over 8 per cent of households experienced lack of access to water, sanitation and heating and 64 per cent lacked access to at least one of these forms of utility in 2011 (Table 4.28).

Table 4.28: Households and people affected by multiple aspects of access to utilities in 2011 (n=4147)

Number of problems related to access to utilities	% of households affected	% of population living in such households	% of children living in such households	% of all pensioners living in such households
0	35.6	37.6	40.2	30.5
1	19.3	18.2	16.5	20.2
2	36.9	38.3	38.9	39.1
3	8.2	6.0	4.5	10.2

There has been no significant improvement in rates of poverty on this dimension since 2009 (Table 4.29).

Table 4.29: Changes in rates of utility poverty between 2009 and 2011

	2009	2011	Significance of difference
% of households lacking at least one basic utility	62.7	64.4	ns
% of total population living in such households	61.5	62.4	ns
% of all children living in such households	60.3	59.8	ns
% of all pensioners living in such households	68.8	69.5	ns

ns Not significant (Difference in Proportions Test based on z-scores)

Water and sanitation – Millennium Development Goals

Target 10 of the Millennium Development Goals (MDG) is to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation. Since 1990, WHO and UNICEF have been tracking progress on global water and sanitation goals through the Joint Monitoring Programme for Water Supply and Sanitation (JMP). JMP defines an **improved drinking-water source** is one that, by nature of its construction or through active intervention, is protected from outside contamination, in particular from contamination with faecal matter. To allow for international comparability of estimates, the JMP uses the following classification to differentiate between "improved" and "unimproved" drinking-water sources¹⁹

Access to safe drinking water was determined by the percentage of the population using "improved" water sources	
Improved	Not-Improved
Piped water into dwelling, plot or yard Piped water into neighbor's plot Public tap/standpipe Tubewell/borehole Protected dug well Protected spring Rainwater	Unprotected dug well Unprotected spring Small cart with tank/drum Tanker truck Surface water (river, dam, lake, pond, stream, channel, irrigation channel) Bottled water

Although not available in the WMS 2009, the data on water sources in the WMS 2011 can be recoded to match this classification²⁰. Table 4.30 compares the results with the situation since 1990²¹. The difficulties in comparing year on year change in drinking water improvement are outlined in the 2010 update of the JMP Report. Nevertheless, the WMS data suggest that there is certainly room for more improvement, particularly in rural areas.

¹⁹ http://www.childinfo.org/water_monitor.html

²⁰ The WMS 2011 does not indicate whether or not bottled water or rainwater come from protected sources so 11 cases using bottled water and three using rainwater are excluded from the analysis. Also excluded are a further 51 households where information is insufficient for classification.

²¹ Progress on sanitation and drinking water - 2010 update, WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation, 2010

Table 4.30: Access to improved water sources between 1990 and 2011

	1990a	2000a	2008a	2011 WMS
Population ('000)	5460	4745	4307	Valid sample n=14739
Urban drinking water sources (% of population)				
Piped on premises	81	86	92	81.5
Other improved	13	11	8	17.6
Unimproved	6	3	0	0.9
Rural drinking water sources (% of population)				
Piped on premises	19	34	51	20.4
Other improved	47	46	45	70.3
Unimproved	34	20	4	9.3
Total drinking water sources (% of population)				
Piped on premises	53	61	73	51.4
Other improved	28	28	25	43.6
Unimproved	19	11	2	5.1

^aData source: Progress on Sanitation and Drinking Water – 2010 update, WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation, 2010. <http://www.wssinfo.org/documents-links/documents/>

Table 4.30 shows that the percentage of the population with access only to water from unimproved sources has fallen from 19 in 1990 to just over five in 2011. The fall has been more marked in rural areas although the percentage with unimproved supplies remains nearly twice (9.3%) that of the population as a whole (5.1%). While half of the population in 2011 has drinking water piped to their dwellings, this figure falls to a fifth in rural areas.

Table 4.31 shows the type of drinking water source by region. While most people in Tbilisi have water piped to their dwellings, other forms of improved source are more common in the regions. In Guria, Imereti and Samegrelo over a tenth of the population have no improved source of water.

Table 4.31: Percentage of the population with access to drinking water by source for the regions in 2011 (n=14739)

	Source of drinking water		
	% piped on premises	% other improved	% not improved
Tbilisi	90.7	9.3	0.0
Ajara	66.2	28.4	5.4
Guria	9.3	78.7	11.9
Imereti, Racha	39.5	49.3	11.2
Kakheti	32.4	63.2	4.5
Mtskheta-Mtianeti	25.7	72.3	2.0
Qvemo qartli	34.3	62.4	3.3
Samtskhe-Javakheti	44.8	54.7	0.6
Samegrelo	17.5	70.8	11.7
Shida Qartli	32.4	62.7	4.9
Total	51.4	43.6	5.1

The JMP defines access to sanitary means of excreta disposal²². An improved sanitation facility is defined as one that hygienically separates human excreta from human contact.

Key to Sanitation data	
Improved Sanitation Facilities	Unimproved Sanitation Facilities
Flush or pour-flush to: - piped sewer system - septic tank - pit latrine Ventilated improved pit latrine (VIP) Pit latrine with slab Composting toilet	Flush or pour-flush to elsewhere Pit latrine without slab or open pit Bucket Hanging toilet or hanging latrine No facilities or bush or field (open defecation) Public or shared sanitation facilities

Table 4.32 indicates a worsening of access to improved sanitation facilities. This is especially the case in rural areas. Table 4.33 shows that the problem is now situated particularly in Guria and Samtskhe-Javakheti.

²² http://www.childinfo.org/sanitation_monitor.html

Table 4.32: Access to improved sanitation facilities between 1990 and 2011

	1990a	2000 a	2008 a	2011 WMS
Population ('000)	5460	4745	4307	Valid sample n=14930
Urban sanitation facilities (% of population)				
Improved	97	96	96	94.3
Shared	3	3	3	0.2
Unimproved	0	1	1	5.5
Open defaecation	0	0	0	0.0
Rural sanitation facilities (% of population)				
Improved	95	94	93	57.4
Shared	1	1	1	1.0
Unimproved	2	3	4	41.6
Open defaecation	2	2	2	0.0
Total sanitation facilities (% of population)				
Improved	96	95	95	76.0
Shared	2	2	2	0.6
Unimproved	1	2	2	23.4
Open defaecation	1	1	1	0.0

^aData source: Progress on Sanitation and Drinking Water – 2010 update, WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation, 2010. <http://www.wssinfo.org/documents-links/documents/>

Table 4.33 summarizes the situation in 2011 regarding access to improved water sources and sanitation facilities by region. In total in 2011, five per cent of the population live in households with no access to improved water and 24 per cent in households with no access to improved sanitation.

Table 4.33: Percentage of the population with access to improved water source and sanitation by region in 2011

	% with improved water source	% with improved sanitation	Unweighted n
Tbilisi	100.0	98.6	1624
Ajara	94.6	67.1	1078
Guria	88.1	24.2	963
Imereti, Racha	88.8	85.6	2898
Kakheti	95.5	55.2	1900
Mtskheta-Mtianeti	98.0	84.3	836
Qvemo qartli	96.7	68.8	1951
Samtskhe-Javakheti	99.4	37.5	1134
Samegrelo	88.3	69.9	1366
Shida Qartli	95.1	64.5	1087
Total	94.9	76.0	14837

4.5 Social exclusion

The fifth dimension of poverty considered in this report reflects access to a range of services. These aspects of social exclusion were identified in 2009 as:

- Incomplete education*: indicated if there is anyone in the household who would have liked more education, or if there is no-one in the household who is over 15 years old who is educated at least to secondary level.
- No employment or land ownership*: indicated if no-one in the household owned land and no-one over 15 years old was employed in any way in the past week.
- Lack of access to health care*: indicated if either medical services or medicines were needed in the last year but not purchased because of lack of money or availability.
- Lack of access to loans or credit*: indicated if any member of the household tried unsuccessfully to borrow money during the last 12 months from a money lender, bank or pawn-shop.
- Lack of social assistance*: indicated if social assistance was requested but not fully or mainly granted during the past 12 months.

Table 4.34 shows the percentages of households experiencing social exclusion in each of these five aspects, and the percentages of residents, children and pensioners living in such households.

Table 4.34: Households and people affected by different aspects of social exclusion in 2011 (n=4147)

	% of households experiencing problem	% of population living in such households	% of all children living in such households	% of all pensioners living in such households
Incomplete education	18.1	19.4	26.0	15.9
No land ownership or employment	17.3	13.1	11.5	19.5
Lack of access to healthcare	49.9	49.8	45.6	53.6
Lack of access to credit	2.4	2.7	3.0	1.5
Lack of social assistance	14.5	14.3	14.5	15.0

Children are disproportionately represented in households where adult educational needs are unsatisfied whereas pensioners are more prevalent in households with lack of employment and lack of access to healthcare.

At household level there have been significant improvements in every aspect of social exclusion since 2009 (Table 4.35). This is particularly marked for access to healthcare and social assistance. The number of households experiencing problems has declined by 8.7 and 5.4 percentage points respectively.

Table 4.35: Changes in aspects of social exclusion between 2009 (n=4808) and 2011 (n=4147)

	% of households experiencing problem 2009	% of households experiencing problem 2011	Significance of difference
Incomplete education	19.9	18.1	*
No land ownership or employment	19.9	17.3	**
Lack of access to healthcare	58.6	49.9	**
Lack of access to credit	4.3	2.4	**
Lack of social assistance	19.9	14.5	**

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

As in 2009, we defined a household as being socially excluded if it experienced at least three of the aspects of exclusion listed above. In 2011 only 6 per cent of households fell into this category, including 5.6 per cent of all residents, 6.7 per cent of all children and 5 per cent of all pensioners. No household experienced all five types of exclusion (Table 4.36).

Table 4.36: Households and people affected by multiple aspects of social exclusion in 2011 (n=4147)

Number of problems related to social exclusion	% of households affected	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
0	33.1	34.7	36.2	29.4
1	38.1	37.5	34.4	41.0
2	22.9	22.3	22.7	24.5
3	5.3	5.0	6.1	4.5
4	0.6	0.6	0.6	0.5

4.6 Multiple dimensions of poverty and deprivation

Table 4.37 summarises the extent to which different aspects of poverty and deprivation affect the people of Georgia.

Table 4.37: Households and people affected by multiple aspects of poverty and social exclusion in 2011

Dimension	% of households affected	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
Extreme poverty (< 71.7 GEL)	8.3	9.1	9.4	8.1
Relative poverty (< 109.2 GEL)	21.8	23.5	25.2	21.3
General poverty (< 143.4 GEL)	35.4	37.9	40.8	36.6
Material deprivation	10.6	7.6	5.7	12.3
Subjective poverty	39.4	35.2	31.1	41.9
Social exclusion	5.9	5.6	6.7	4.5
Lack of utilities	64.4	62.4	59.8	69.5
Lack of improved water supply	5.1	5.1	4.5	5.4
Lack of improved sanitation	23.4	24.0	23.6	26.3

Since 2009 headcount rates for consumption poverty have decreased significantly at the extreme, relative and general levels. Child poverty has also fallen but children remain over-represented among the poor. Material deprivation, subjective poverty and social exclusion from services have all decreased but lack of access to utilities remains a major problem for almost two thirds of the population (Table 4.38).

Table 4.38: Changes in multiple dimensions of poverty and social exclusion between 2009 and 2011

Dimension	Population in poor and deprived households (%)		Children in poor and deprived households (%)	
	2009	2011	2009	2011
Extreme poverty	9.9	9.1*	11.5	9.4*
Relative poverty	25.7	23.5*	28.4	25.2*
General poverty	44.8	37.9*	49.0	40.8*
Material deprivation	12.7	7.6*	13.1	5.7*
Subjective poverty	37.1	35.2*	36.4	31.1*
Social exclusion	8.1	5.6*	8.6	6.7*
Lack of utilities	61.5	62.4	60.3	59.8

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores

For many people, problems of poverty and deprivation compound one another. Negative impacts of poverty are experienced across multiple levels. Of those living in households below the relative poverty line, for example, over three quarters also lack one or more utilities, over 60 per cent experience subjective poverty, 18 per cent are materially deprived and 11 per cent are excluded from services. Over a third lack improved sanitation and six per cent have no improved water supply. These rates are significantly higher than comparable rates for people in households above the poverty threshold (Table 4.39). Consumption poverty severely increases the odds of poverty in other dimensions.

Table 4.39: The percentage of population below and above the relative poverty line experiencing deprivation in other dimensions in 2011 (n=14949)

	Equivalent monthly household expenditure		Common odds ratio	Mantel-Haensel Sig.
	< 109.2 GEL	≥ 109.2 GEL		
Lack of utilities	78.6	57.4	2.72	***
Subjective poverty	60.4	27.5	4.00	***
Material deprivation	18.0	4.4	4.73	***
Social exclusion	11.2	3.8	3.21	***
Lack of improved water source	6.6	4.6	1.45	***
Lack of improved sanitation	34.8	20.7	2.04	***

***p < 0.001

Multidimensional poverty indicators are able to be compared through odds of being poor or deprived being under or above a relative poverty threshold. The common odds ratio shows the odds of a person in a poor household experiencing a form of deprivation versus to the odds for a person in a non-poor household. The odds of a household defined as poor on the consumption dimension also experiencing subjective poverty, for example, are four times higher than for a household not poor in consumption. For each dimension of deprivation shown in Table 4.39, the ratio is significantly higher than one (the value the ratio would have if the odds were the same).

4.7 Summary of trends and trajectories of poverty

Section 4.1.1 showed that household poverty rates based on all three consumption thresholds fell overall between 2009 and 2011 (Table 4.40).

Table 4.40: Summary of changes in household poverty rates 2009 to 2011

Threshold	2009 (n=4646)		2011 (n=4147)	
	GEL	WMS	GEL	WMS
Extreme	61.1	8.9	71.7	8.3
Relative	89.7	23.7	109.2	21.8
General	122.2	41.5	143.4	35.4

These overall figures, however, mask the dynamics of change. They represent the net effect of changes. However, some households have risen out of poverty but others have become newly poor. Table 4.41 is based on the 4020 households included in both waves of the survey.

Table 4.41: Changing Poverty Status of Households Between 2009 and 2011 (N=4020)

Poverty threshold	Rising out of poverty (%)	No change (%) (N=4020)	Falling into poverty (%)	Net % fall in poverty
Extreme	7.3	85.9	6.9	0.4
Relative	14.7	72.8	12.5	2.2
General	20.4	65.6	14.0	6.4

At the relative and general thresholds, significantly more households rose out of poverty than became newly poor. Despite social protection and support programmes from government only 7.2 per cent of all households were lifted out of extreme poverty over the two years while a similar number became newly poor.

4.7.1 Characteristics of newly poor households

Households that have fallen below the *relative* poverty threshold since 2009 do not, on average, have significantly bigger households²³ or more children²⁴ than other households. They are, however, significantly more likely to live in rural areas (Table 4.42).

²³ t=0.79; p=0.43

²⁴ t=0.51; p=0.61

Table 4.42: The percentage of newly relatively poor households with particular characteristics compared with the percentage of other households in 2011 (Total n=4020)

	Newly poor in 2011 (n=506)	Other household s (n=3514)	χ^2 Sig
% rural households	55.9	48.7	**
% of pensioner-only households	8.9	11.0	ns
% of households that include a disabled person	7.0	4.6	**
% of households with IDP status	7.0	5.3	ns
Highest educational level attained in household:			
% below secondary	8.1	5.7	***
% secondary	32.7	25.9	
% vocational	27.1	22.8	
% higher	32.1	45.6	
Highest educational level attained by a woman in the household:			
% below secondary	11.9	6.8	***
% secondary	36.8	31.4	
% vocational	25.3	23.6	
% higher	25.9	38.2	
% Azeri households	5.2	4.8	ns
% Armenian households	2.2	4.6	*

There are demographic features of households that are related to poverty levels. The presence of an internally displaced person (IDP) in the household has no significant effect on the likelihood of falling into poverty. In contrast, the presence of a person with disability significantly increases the likelihood, as does low educational attainment. The effect of Azeri ethnicity is not significant but Armenian households are less likely than others to have become newly poor.

Region also has a significant effect on new poverty. Table 4.43 shows that when compared with other households that have remained static or have risen out of relative poverty, Samegrelo contains a disproportionate number of newly poor households. Almost 18 per cent of newly poor households are in Samegrelo, while just under nine per cent of other types of household are located in that region. Tbilisi on the other hand contains 22.8 per cent of newly poor households but 26.9 per cent of other types of households.

Table 4.43: The distribution of newly poor households and other households (that have remained static or risen out of relative poverty) by region in 2011

	% of other households in the region (n=3514)	% of newly poor households in the region (n=506)	% of all the households in the region (n=4020)
Tbilisi	26.9	22.8	26.4
Achara	7.5	7.9	7.6
Guria	3.6	1.2	3.3
ImereTi, Racha	18.8	19.4	18.9
Kakheti	10.1	9.9	10.1
Mtskheta-mtianeti	2.5	2.4	2.5
Qvemo qartli	10.2	6.7	9.8
Samtskhe-javakheti	4.6	3.0	4.4
Samegrelo	8.9	17.7	10.0
Sida qartli	6.7	8.9	7.0
Total	100.0	100.0	100.0

The changes in household consumption underlying changes in relative poverty status are positively correlated with changing income PAE when adjusted for inflation ($r = 0.40$; $p < 0.01$). However, while incomes from wages, salaries and self-employment have small but significant effects, there is no significant correlation of consumption with social transfer income.

4.7.2 Other dimensions of recent poverty

A decline into poverty is often accompanied by other worsened circumstances. Table 4.44 shows that households becoming poor during the two years are more likely to experience new deprivation in other dimensions. An example of this are the odds of a household that has newly fallen into poverty also experiencing new material deprivation being almost three times higher than they are for other households.

Table 4.44: The percentage of households falling into poverty between 2009 and 2011 experiencing new deprivation in other dimensions (n=4020)

	Falling into poverty (< 109.2 GEL) between 2009 and 2011		Common odds ratio	Mantel-Haenszel Sig.
	No	Yes		
% with new material deprivation	4.1	11.1	2.90	***
% with new social exclusion	4.0	8.7	2.31	***
% with new lack of utilities	4.4	8.5	2.03	***

5. Modelling the probability of consumption poverty

Statistical multiple regression models can be used to predict the probability of a household with particular characteristics falling below each specified poverty line²⁵. Here we developed models, using locational, demographic, educational and employment characteristics, for urban and rural areas separately. This is because we might expect the interactions between the characteristics that help explain variations in the probability of poverty to operate differently in towns and cities from in the countryside. The possible explanatory variables are selected to allow comparison with similar models based on 2009 data.

5.1 Urban areas

Various models were used to determine odds of poverty based on characteristics. The model predicting the probability of households falling below the relative poverty line of 109.2 GEL in urban areas shows the effect of a unit change in a household characteristic on the odds of the household being poor when all other variables are fixed (**Table 5.1**). The odds of a household in urban parts of Ajara being poor, for example, is ten times less compared to the odds for a household in Tbilisi. Households headed by women are over one and a half times more likely to be poor than households headed by men and the odds of poverty increase significantly in households with more children. However, female headed household refers to the oldest person in the household being a woman not the earner being a woman. The odds of a household with three or more children being poor are 2.2 times higher than for a childless household. Households consisting only of pensioners have slightly but significantly lower odds of being in poverty. Section 4.1.5 also showed that pensioner-only households are less likely than others to be poor and this may reflect increasing government expenditure on pensions.

The odds of being in poverty are reduced by over a half if at least someone in the household is in employment or owns land and are reduced by two fifths for every cash wage or salary earner in the household. On the other hand, educational levels of women or others make no significant contribution to the model despite the indication that female headed households are more likely to be in poverty.

²⁵ The model equation is: $P(\text{poverty}) = 1/(1 + e^{-Z})$ where: $Z = (a + b_1 x_1 + b_2 x_2 + \dots + b_n x_n)$

Table 5.1: Logistic regression of relative poverty on household characteristics (equivalent household monthly expenditure less than 109.2 GEL) for urban areas 2011

Household characteristic	B coefficient	Odds ratio	Wald Sig.
<i>Region (compared to Tbilisi)</i>			
Ajara	-2.6	0.1	***
Guria	-0.9	0.4	ns
Imereti, Racha	-0.03	1.0	ns
Kakheti	0.01	1.0	ns
Mtskheta-Mtianeti	0.6	1.8	ns
Qvemo qartli	-0.4	0.7	ns
Samtskhe-Javakheti	0.1	1.1	ns
Samegrelo	0.4	1.5	ns
Shida Qartli	-0.3	0.7	ns
<i>Household headed by a woman</i>	0.4	1.6	**
<i>Number of children (compared to none)</i>			
1 or 2	0.3	1.4	**
3 or more	0.8	2.2	***
<i>Households of only pensioners compared to others</i>	-1.5	0.2	***
<i>Employment</i>			
Anyone in household employed or owning land (compared to none)	-0.5	0.6	**
Total number of earners in the household	-0.8	0.4	***
<i>Constant</i>	0.7	1.9	ns

Number of cases = 1245; Hosmer & Lemeshow 0.131; Nagelkerke R^2 = 0.248

Significance levels: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

5.2 Rural areas

The relative poverty prediction model for rural households shows that, compared to Ajara, the odds of rural households being poor are increased by over two times in Samegrelo and reduced significantly in Guria. Like in urban areas, compared to childless households, those with one or two children have higher odds of being in poverty. Households with three or more children are particularly vulnerable. Again, the odds of poverty are reduced significantly for households consisting only of pensioners. But in contrast to urban areas the gender of the household head is unimportant and it is cash earning rather than employment or land ownership that actually reduces the poverty risk. While having a household member in employment or owning land has no

significant impact, the odds of poverty in rural households are almost halved for every cash earner present.

Table 5.2: Logistic regression of relative poverty household on characteristics (equivalent household monthly expenditure less than 109.2 GEL) in rural areas 2011

Household characteristic	B coefficient	Odds ratio	Wald Sig.
<i>Region (compared to Ajara)</i>			
Guria	-1.1	0.3	**
Imereti, Racha	-0.2	0.8	ns
Kakheti	0.1	1.0	ns
Mtskheta-Mtianeti	0.5	1.6	ns
Qvemo qartli	-0.5	0.6	ns
Samtskhe-Javakheti	-0.7	0.5	ns
Samegrelo	0.9	2.4	***
Shida Qartli	0.1	1.1	ns
<i>Number of children (compared to none)</i>			
1 or 2	0.4	1.4	**
3 or more	0.5	1.7	**
<i>Households of only pensioners compared to others</i>			
	-0.9	0.4	***
<i>Employment</i>			
Total number of cash earners in the household	-0.8	0.5	***
Constant	-0.2	0.8	ns

Number of cases = 2669; Hosmer & Lemeshow = 0.920; Nagelkerke R^2 = 0.146

*Significance levels: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$*

6. Social transfers

6.1 Background

In 2004 Georgia began a major reform of its welfare system, focusing mainly on pensions. The second phase of the reform effort began in 2006 with the main objective to improve the targeting of social assistance to ensure that scarce financial resources would be channelled to those with the most need. This implied a shift from category-based social assistance to means-tested assistance. To test means, a sophisticated targeting system was set up and a database of the socially vulnerable population was commenced. At the same time, the government of Georgia has embarked on an ambitious reform of child welfare reform, placing a heavy emphasis on closing large Soviet-style institutions and introducing alternative child care services, including small group homes, day care centres, foster care and other community-based services.

BOX 6.1: The Social Services Agency (SSA)

The Social Services Agency (SSA) was formed in 2007 as a result of a merger between two government agencies – the State United Social Insurance Fund (SUSIF) and the State Agency for Employment and Social Assistance (SAESA). The agency is the main executive arm of the Ministry of Labour, Health and Social Affairs and is responsible for administering all central social programmes. These include pensions, social assistance, child care and disability programmes. In addition, the agency is responsible for administering the database of socially vulnerable families, which is the primary means-testing mechanism for the provision of social assistance and free health insurance. The agency employs over 2000 staff employed across 11 regional offices and 71 district offices. In 2011, SSA's annual budget was around 1.5 billion GEL, making it the largest spending state agency in Georgia.

Source: UNICEF & USAID Health System Strengthening Project (2011) Survey of barriers to access to social services: Why not all families get social benefits and services.

Pensions constitute the main social benefit and are available for four categories of people: men aged over 65 and women over 60; survivors; people with first degree disability; and war veterans or victims of Soviet repression. State compensations and academic stipends serve the same purpose as pensions for certain former public servants and members of academia who retired between 2005 and 2007. The main difference between pensions and compensations or stipends is that the former are flat-rate benefits for different categories, while the latter are calculated based on the number of years in service and the current salary of persons in the same position. The share of pensions in total expenditure on social protection in Georgia increased slightly

from 76 per cent in 2009 to 77 per cent in 2010. Between August 2009 and August 2010 the number of pensioners slightly decreased from 842,975 to 840,913. It has continued to decrease reaching 825,545 pensioners in September 2011.

Targeted social assistance (TSA) is the main cash benefit available for families experiencing financial and material hardship. In order to qualify for the assistance, a family must submit an application to the local office of the Social Services Agency. The application is then processed and entered into the database of socially vulnerable families. By September 2011 – 510,375 households comprising of 1,633,164 people were registered in the unified database of socially vulnerable families²⁶. Once an application is processed, a social agent visits the family and records various indicators of the family's socio-economic situation, for example employment, assets and special needs. These are later entered into the database and then electronic software processes the ranking score which can range from 0 to 200, 000+. Currently families with a ranking score below 57,001 are entitled to cash assistance and free health insurance vouchers which can be exchanged into health insurance. The size of the benefit is 30 GEL for the first member of the family plus 24 GEL for each additional member. Families who rank between 57,001 and 70,000 are entitled to free health insurance vouchers. By September 2011, 153,400 families in Georgia (11.1%), corresponding to 391,889 (8.7%) of the population²⁷ were receiving a monthly cash benefit "subsistence allowance" in the country - Targeted Social Assistance (TSA).

Categorical benefits include family assistance, utilities subsidies and IDP benefits. Family assistance has been available to pensioner families, disabled children and others with 1st category disability, and families with 7 or more children. The entitlement is limited to those families who applied for assistance before 2007 and is now being phased out. Utilities subsidies are available for 12 categories of people including war veterans while the IDP benefit is available to all individuals displaced as a result of conflicts in Abkhazia, Georgia and South Ossetia, Georgia in the 1990s and August 2008²⁸.

In addition to centrally administered social transfers, most municipalities also provide some cash and in-kind benefits, although both the coverage and the value of these benefits are quite low. The majority of municipal benefits are one-off and category-based, though some local authorities including Tbilisi are actively using the database of socially vulnerable families for identifying the beneficiaries of their social programmes.

This analysis of the WMS 2011 focuses on three main classes of benefits: pensions, targeted social assistance (TSA) and categorical and other benefits. For the purpose of the analysis municipal social benefits are included in 'categorical and other'

²⁶ Social Service Agency. 2011.

²⁷ Social Service Agency. 2011.

²⁸ People displaced as a result of August 2008 events are automatically entitled to TSA.

benefits. In each category data are only available for benefits providing personal regular income.

6.2 Receipt of social transfers

Social protection benefits are the main means of redistributing resources to improve the living standards of poor and vulnerable groups of the population. Nearly two thirds of all households received some form of social transfer in 2011, a significant increase compared to 59 per cent in 2009. The number of households receiving more than one type of benefit has also increased from 12 to 15 per cent in 2011 (Table 6.1).

Table 6.1: Households in receipt of different combinations of types of social assistance in 2011

Type of social assistance received	% of households (n=4147)	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
Pensions only	43.1	43.5	36.8	71.9
TSA only	3.8	4.1	5.6	0.3
Categorical benefits only	2.1	2.2	2.6	0.4
Pension and TSA	9.9	7.8	6.8	15.2
Pension and categorical benefits	3.8	4.0	5.4	6.1
TSA and categorical benefits	0.4	0.4	0.8	0.1
Pension, TSA and categorical benefits	0.9	1.0	1.1	1.5
None of these	36.0	37.0	41.0	4.5

According to the WMS, 57.7 per cent of households were in receipt of a pension in 2011 compared to 53.8 per cent in 2009. TSA receipt increased from 8.8 to 13.3²⁹ per cent of households while the number receiving categorical benefits remained stable at 7.2 per cent. Overall, there has been a significant fall since 2009 in the number of people receiving no social assistance of any kind (Table 6.2).

²⁹ For comparison with 2009, this figure is based on TSA households where the amount received is known.

Table 6.2: Households in receipt of three types of social assistance in 2009 and 2011

Type of social assistance received	% of households 2009 (n=4646)	% of households 2011 (n=4147)
Pensions	53.8	57.7
TSA	8.8	13.3
Categorical benefits	7.2	7.2
None of these	41.2	36.1

Columns do not add to 100% because some households receive more than one type of benefit.

Of course, there is a likelihood that some households may actually not need any social assistance. However, if we assess the poverty status of households on the basis of their consumption *before* social transfers (pensions, TSA and categorical benefits) are taken into account, there are still over nine per cent of extremely poor, 15 per cent of relatively poor and almost a fifth of generally poor households receiving no benefit payments at all (Table 6.3).

Table 6.3: Households in receipt of three different types of social assistance by poverty status based on consumption before any of the three types of social transfer 2011

Type of social assistance received	% of all households (n=4147)	% of extremely poor households (unweighted n=1185)	% of relatively poor households (unweighted n=1722)	% of generally poor households (unweighted n=2217)
Pensions	57.7	81.9	76.3	72.3
TSA	15.1	35.4	28.5	24.8
Categorical benefits	7.2	11.3	10.1	9.5
None of these	36.0	9.1	15.4	19.4

6.3 The impact of social transfers on poverty

Most social transfers in Georgia are explicitly designed to ensure that scarce resources are targeted on households most in need. When reviewing the proportion of social benefits that reach the poorest households reveals the extent to which targeting is successful. But it tells us nothing about the effectiveness of benefits in reducing poverty. A particular form of social transfer may be well targeted, but if its coverage excludes many poor households, or if the level of benefit paid is very low, the transfer may not have much effect on poverty rates or poverty gaps. To understand the impact of social transfers on poverty we need to examine both coverage and levels of payment (Box 6.2).

Box 6.2: Measurements of the Social Transfer

- **TARGETING:** the proportion of all benefit recipients that are in the poorest group of households
- **COVERAGE:** the proportion of the poorest group of households that receive benefits
- **LEVEL:** the average amount of benefit received
- **EFFECTIVENESS:** the extent to which receipt of benefits results in a reduction in poverty rates and gaps.

In the following sections we examine pensions, TSA and categorical benefits in turn, assessing their performance in terms of targeting, coverage, level and effectiveness.

6.4 Pensions*6.4.1 Targeting of pensions*

Pension transfers are not intended to be means-tested and Table 6.4 shows that they are more evenly distributed across households with different means-testing scores than any other form of benefit.

Table 6.4: Households in receipt of three different types of social assistance by family means-testing score in 2011 (n=4147)

Type of social assistance received	% 0 to 57,000 (n=649)	% 57,000 to 70,001 (n=407)	% over 70,000 (n=595)	% with unknown score (n=852)	% with no application ^a (n=1644)
Pensions	70.1	67.9	61.0	62.2	49.4
TSA	82.6	7.7	1.2	13.6	0.0
Categorical benefits	11.9	8.0	6.4	7.1	5.9
None of these	3.5	27.6	37.3	33.0	48.2

Columns do not add to 100% because some households receive more than one type of benefit.

^a These are households that have not applied to be registered on the database of vulnerable families.

Of course not all households include pensioners so pension receipt is not universally applicable. Over half (55.2%) of all households in Georgia include at least one person of pension age (at least one man aged 65 or more or at least one woman aged 60 or more) so there is some impact on general, and child, poverty.

If household monthly PAE consumption figures are reduced by the amount of pension income received PAE, this pre-transfer consumption can be ranked from lowest to highest and split into tenths (deciles). There is some reduction in the percentage receiving pensions in the better-off households with pensioners. Figure 6.1 shows that while 17 per cent of households receiving pensions are in the poorest tenth, over six per cent of those having pension incomes are in each of the three richest deciles. The benefit is not intended to be targeted only on the poor.

Figure 6.1: Distribution of total pension recipient households across pre-pension transfer consumption deciles in 2011 (unweighted n=2459)



6.4.2 Coverage of pensions

Table 6.5 shows the consumption levels of pre-pension transfer deciles for all households. The negative consumption values for the poorest decile suggest that in some cases consumption exceeds income. The table also shows the distribution of pension receipt across all household deciles. Most households in the poorer deciles do receive pensions.

Table 6.5: Pension receipt in households by pre-pension PAE consumption decile 2011 (n=4147).

Decile^a	Minimum PAE consumption (GEL)	Maximum PAE consumption (GEL)	Average monthly pre-pensions PAE consumption	% of households in decile receiving pensions 2011
1	-196.93	26.51	-6.54	94.5
2	26.91	57.43	42.40	84.3
3	57.46	85.30	72.02	69.0
4	85.43	110.56	98.06	58.4
5	110.63	138.33	124.46	59.5
6	138.37	168.98	153.19	55.4
7	169.07	203.71	184.95	45.3
8	203.74	258.18	229.20	42.5
9	258.44	354.06	300.18	36.6
10	354.23	5336.23	618.70	38.8
Total	-196.93	5336.23	192.40	57.8

^aDecile group of pre-pensions PAE consumption based on ranking of all households

If we repeat the analysis to consider only those households containing pensioners we see that almost all of these households do receive pension benefits, especially those in the poorest deciles (Table 6.6). Pension coverage is very good.

Table 6.6: Pension receipt in households containing people of pension age by pre-pension PAE consumption decile in 2011 (Unweighted n=2459).

Decile^a	Minimum PAE consumption (GEL)	Maximum PAE consumption (GEL)	Average monthly pre-pensions PAE consumption	% of households in decile receiving pensions 2011
1	-196.93	26.51	-7.95	98.9
2	27.02	57.43	41.81	99.0
3	57.46	85.30	71.95	96.5
4	85.43	110.56	98.88	98.1
5	110.63	138.33	124.45	93.0
6	138.37	168.60	153.10	93.2
7	169.07	203.71	185.36	90.0
8	203.74	257.41	229.16	89.8
9	258.59	352.69	301.06	87.1
10	354.44	5189.00	575.36	85.9
Total	-196.93	5189.00	151.00	94.1

^aDecile group of pre-pensions PAE consumption based on ranking of households with pensioners

6.4.3 Level of pensions

In households including people of pension age, the average total amount of pension received is 120 GEL a month with a median of 97 GEL. In fact, it constitutes the equivalent of 41 per cent of household consumption on average. In households with only pensioner members, in nearly 80 per cent of households, it makes up all consumption.

6.4.4 Effectiveness of pensions in reducing poverty

Complex household structures are prevalent in Georgia, in many households they include three generations. If pension income is removed from the household consumption value used to calculate poverty rates, those rates rise considerably. This is not only for pensioners themselves but also for other household members (Table 6.7). Over a fifth (21.3%) of all pensioners are living in households defined as poor, based on the relative poverty threshold. If there were no social transfers in the form of pensions this figure would rise to a half (50.3%). In the households relatively defined as poor, there are also 8.4 per cent of all children who are lifted out of poverty by household receipt of pension income. This effect is smaller than in 2009 when pension receipt lifted 9.2 per cent of children out of poverty but the difference between the years is not significant.

Table 6.7: The estimated effects of pension income on poverty rates in 2011

Poverty threshold	% of households in poverty (n=4147)	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
Extreme poverty (< 71.7 GEL)	8.3	9.1	9.4	8.2
Excluding pensions	24.1	20.9	16.8	36.7
Relative poverty (< 109.2 GEL)	21.8	23.5	25.2	21.3
Excluding pensions	38.3	36.2	33.6	50.3
General poverty (< 143.4 GEL)	35.4	37.9	40.8	36.6
Excluding pensions	50.1	48.9	48.2	63.5

In addition to affecting the rates of poverty, social transfers have the potential to reduce the amount of consumption needed to lift households out of poverty. Table 6.8 shows the effects of pensions on the poverty gap for those households that include pensioners in receipt of the benefit. In extremely poor households, for example, pension receipt reduces the average poverty gap by 81.3 percentage points.

Table 6.8: The effects of pensions on poverty gaps for poor households with pensioners in 2011

Poverty threshold	Poor households in receipt of pensions	
	Poverty gap	% point effect
Extreme poverty (< 71.7GEL)	23.3	81.3
Excluding pensions	104.6	
Relative poverty (< 109.2 GEL)	28.7	54.1
Excluding pensions	82.8	
General poverty (< 143.4 GEL)	31.8	43.0
Excluding pensions	74.8	

In summary, pensions are received by households across all consumption deciles. They are not means-tested and the coverage is extremely high so that they have a large impact in reducing poverty rates.

6.5 TSA

In contrast to pensions, TSA receipt is based on proxy means testing and Table 6.4 above has shown that of the households with a means-testing score below the TSA threshold of 57,000 over 80 per cent receive the benefit. Very few households with higher scores are in receipt of TSA.

Nevertheless, only 31 per cent of households in extreme poverty receive TSA. 30 per cent of those in relative poverty and 25 per cent of households in general poverty receive the benefit.

There is considerable regional variation (Table 6.9). Over 29 per cent of households in Mtskheta-Mtianeti and Shida Qartli receive TSA compared to only 8.2 per cent in Tbilisi and Samtskhe-Javakheti and 6.2 per cent in Qvemo qartli.

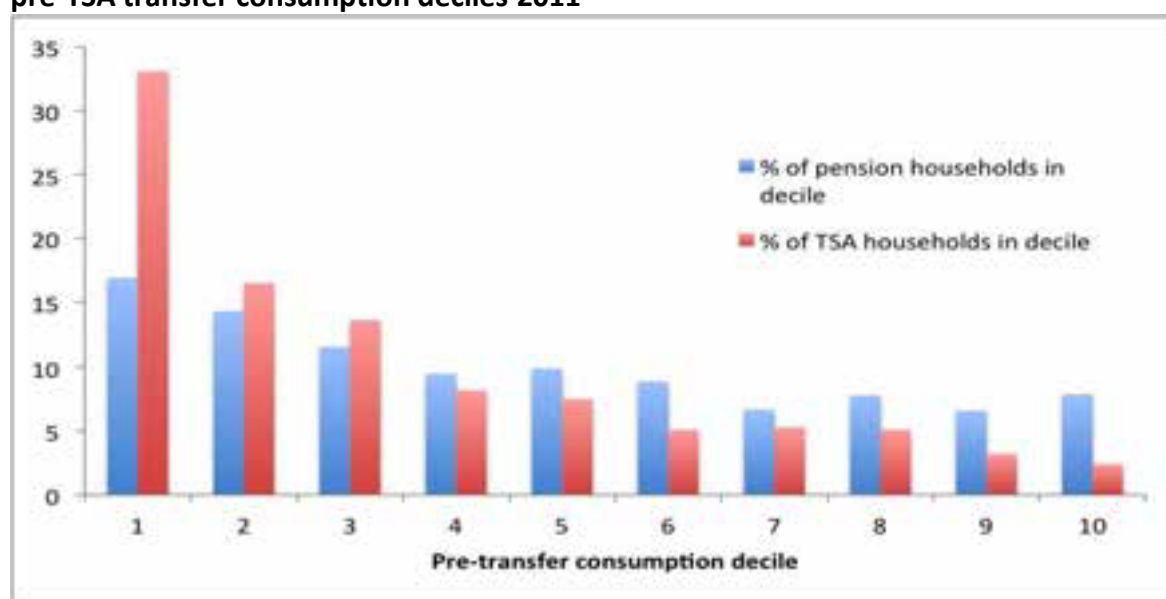
Table 6.9: TSA receipt by region in 2011

	% of all households receiving TSA at least once during the past year	Unweighted n
Tbilisi	8.2	430
Ajara	15.4	247
Guria	19.9	291
Imereti, Racha	24.2	831
Kakheti	15.5	577
Mtskheta-Mtianeti	29.1	235
Qvemo qartli	6.2	506
Samtskhe-Javakheti	8.2	295
Samegrelo	11.4	395
Shida Qartli	29.8	340
Total	15.1	4147

6.5.1 Targeting of TSA

When we rank households by their pre-TSA consumption and group them into tenths or deciles we find that 46 per cent of all TSA paid goes to households in the poorest decile and nearly two thirds (64.2%) goes to the poorest fifth of households. Nearly a third (33.1%) of households receiving TSA are in the poorest decile and almost a half (49.6%) of TSA recipients are in the poorest fifth of households (Figure 6.2).Figure

6.2: Proportion of benefits going to households in different pre-pension transfer and pre-TSA transfer consumption deciles 2011



The benefit is well targeted in some ways: very few recipient households are in the better-off deciles. However in others there is room for improvement, there are still many households in the poorer deciles that do not receive the benefit. In the following section we examine the extent of TSA coverage.

6.5.2 Coverage of TSA

Table 6.10 shows the consumption levels of pre-TSA transfer deciles for all households. The table also shows the distribution of TSA receipt across all household deciles.

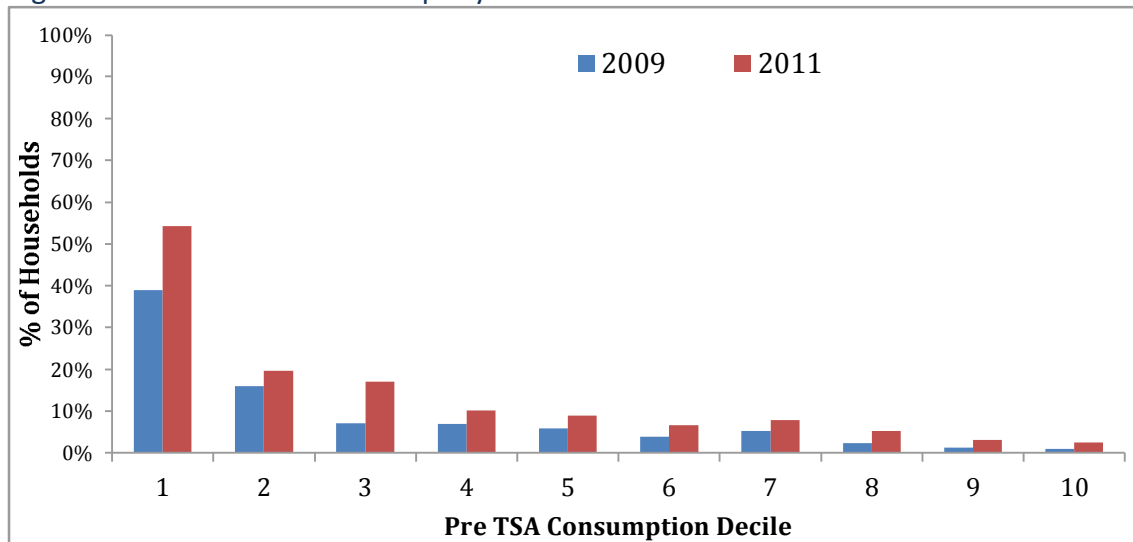
Table 6.10: TSA receipt by pre-TSA PAE consumption decile 2011 (n=4147).

Decile ^a	Minimum PAE consumption (GEL)	Maximum PAE consumption (GEL)	Average monthly pre-TSA PAE consumption	% of households in decile receiving TSA 2011
1	-34.84	63.73	39.71	53.6
2	63.82	95.98	80.80	25.2
3	96.00	122.46	109.23	21.1
4	122.64	147.28	134.47	12.8
5	147.29	172.74	159.79	12.3
6	172.87	199.87	185.59	8.4
7	199.93	234.17	216.08	7.8
8	234.20	286.48	259.02	7.4
9	286.65	385.67	328.95	4.3
10	385.71	5336.23	655.55	3.2
Total	-34.84	5336.23	227.29	15.1

^aDecile group of pre-TSA PAE consumption based on ranking of all households

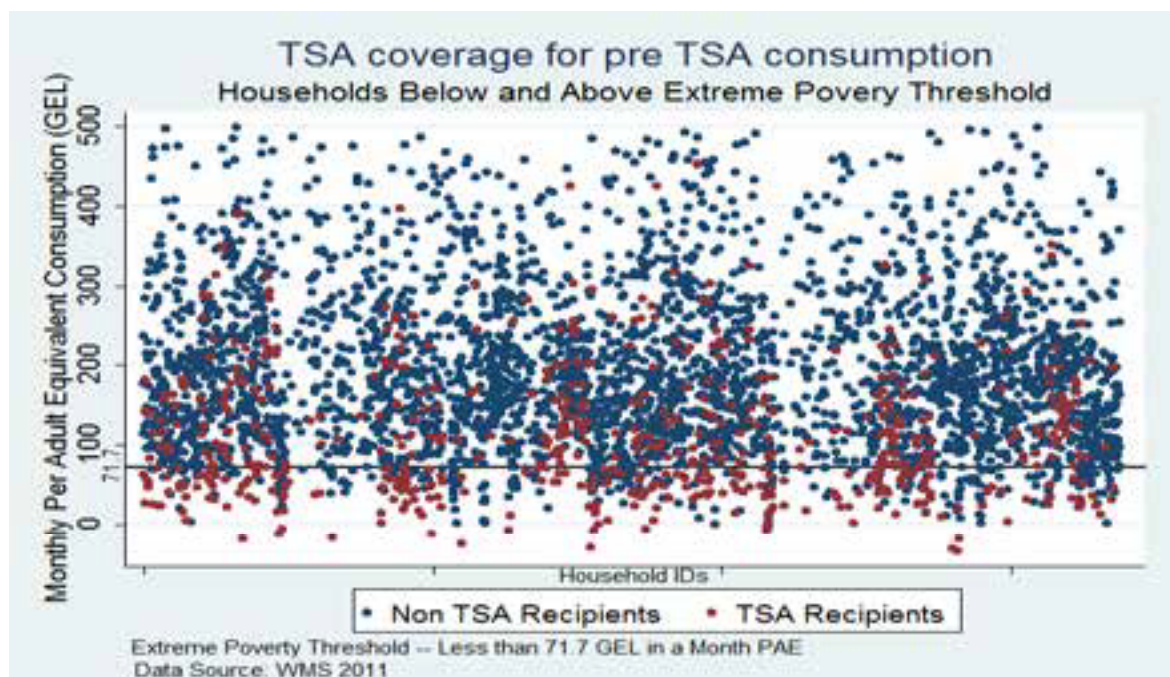
Households in deciles 1 and 2 have average consumption below the relative poverty line of 109.2 GEL PAE a month. Yet only just over a half of households in the poorest decile and less than a quarter of those in the second decile receive TSA. There has been some improvement since 2009 (Figure 6.3). Increases in TSA receipt for the poorest three deciles are all statistically significant. Nevertheless, still nearly half of the poorest tenth and 75 per cent of the next poorest tenth of households get no TSA.

Figure 6.3: Household TSA receipt by decile in 2009 and 2011



The low coverage of TSA can be seen even more clearly if we consider only the poorest households. Figure 6.4 shows those households that have pre-transfer consumption below 500 GEL (PAE) a month.. The blue dots below this extreme threshold (71.7 GEL PAE) show that many poor households do not receive TSA.

Figure 6.4: TSA coverage of households with pre-TSA consumption of less than 500 GEL PAE a month in 2011



6.5.3 Level of TSA

For those households that do receive TSA, the benefit can make an important contribution to total consumption, despite amounts paid being low. On average these households receive 35 GEL PAE with a median value of 36 GEL. TSA constitutes the equivalent of a third of household consumption on average and makes up all consumption in 2 per cent of recipient households.

6.5.4 Effectiveness of TSA in reducing poverty

Over a fifth (21.8%) of all households are relatively poor. If there were no social transfers in the form of TSA this figure would rise to almost 24 per cent. The effect is statistically significant. As in 2009, TSA also reduces extreme child poverty significantly, by over a third from 14.5 to 9.4 per cent. In the households defined as relatively poor, two per cent of all children are lifted out of poverty by household receipt of TSA income and this difference is again statistically significant (Table 6.11).

Table 6.11: The estimated effects of TSA income on poverty rates 2011

Poverty threshold	% of households in poverty (n=4147)	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
Extreme poverty (< 71.7 GEL)	8.3	9.1	9.4	8.2
Excluding TSA	11.7	12.7	14.5	11.2
Relative poverty (< 109.2 GEL)	21.8	23.5	25.2	21.3
Excluding TSA	23.8	25.5	27.4	23.9
General poverty (< 143.4 GEL)	35.4	37.9	40.8	36.6
Excluding TSA	37.1	39.3	42.3	38.6

Table 6.12 shows the effects of TSA on the poverty gap for those households that receive the benefit. In extremely poor households, for example, TSA receipt reduces the average poverty gap by 38.1 percentage points.

Table 6.12: The effects of TSA on poverty gaps for poor households 2011

Poverty threshold	Poor households in receipt of TSA	
	Poverty gap	% point effect
Extreme poverty (< 71.7GEL)	24.3	38.1
Excluding TSA	62.4	
Relative poverty (< 109.2 GEL)	30.7	26.4
Excluding TSA	57.1	
General poverty (< 143.4 GEL)	38.2	19.9
Excluding TSA	58.1	

In summary, most TSA households are in the lowest consumption deciles reflecting successful targeting. Benefit levels are low but do represent a substantial proportion of all consumption in recipient households. However, the TSA covered population is low so that even in the poorest households there are many who do not receive TSA.

Things have, however, improved a little since 2009. Table 6.13 shows that there have been no significant changes in targeting and leakage measures. The mean monthly amount of TSA paid PAE also remains the same. Nevertheless, the increase in coverage is statistically significant. This has resulted in small but significant increases on the effects of TSA on extreme and general poverty rates for the population and for children.

Table 6.13: Changes in TSA between 2009 and 2011

	2009	2011	Significance of difference
Targeting: % of TSA recipient households in poorest 40%	77.8	73.6	ns
Leakage: % of TSA recipient households in richest 10%	1.0	2.4	§
Level: mean amount of TSA PAE (GEL)	34.9	35.0	ns
Coverage: % of poorest decile receiving TSA	38.9	53.6	*
% point reduction in headcount poverty as a result of TSA receipt:			
Extreme	3.0	3.6	*
Relative	1.8	2.0	ns
General	0.8	1.4	*
% point reduction in child poverty as a result of TSA receipt:			
Extreme	3.7	5.1	*
Relative	2.0	2.2	ns
General	0.8	1.5	*

*Significantly different ($p < 0.01$) using the Difference in Proportions Test based on z-scores; ns: not significant; § means the assumptions for the test are not met.

6.5.5 TSA and the newly poor

We identify the households whose consumption fell below the relative poverty threshold in 2011 but not in 2009, as the 'newly poor'. At the time of the 2011 survey, 391 out of 506 newly poor households (unweighted) had applied to be registered on the database of vulnerable families while 2058 of 3514 other households had applied. Of those that did apply, the newly poor households were significantly more successful ($p < 0.01$) than others in getting TSA (Table 6.14).

Table 6.14: The weighted percentage of the 2449 households applying who received TSA in 2011

	% of newly poor households (n=391)	% of other households (n=2058)	Total % (n=2449)
TSA received	33.2	26.5	27.7

In total, nearly two thirds of the households becoming newly poor in 2011 did not receive TSA. These 382 (unweighted) households fall into three groups:

- Those who did not apply to be registered on the database (114)
- Those registered but with a ranking score over 57,000 (142)
- Those registered but with a ranking score of 57,000 or less (18)

(A further 28 households had not yet had their score calculated, 3 refused to disclose it and 77 found the question too difficult to answer.)

By definition, all of these households had monthly consumption below the relative poverty threshold but many are also below the extreme threshold of 71.7 GEL (Table 6.15).

Table 6.15: An overview of the living standards of newly poor non-TSA households in 2011

	Not registered (n=114)	Score over 57,000 (n=142)	Score 57,000 or less (n=18)
Mean monthly consumption (GEL PAE)	78.7	79.0	77.9
% Material deprivation	7.5	17.0	2 households
% social exclusion	6.4	11.0	2 households
% lacking utilities	68.5	79.1	14 households
% subjective poverty	46.2	64.0	11 households
Number of children (weighted)	74	92	18

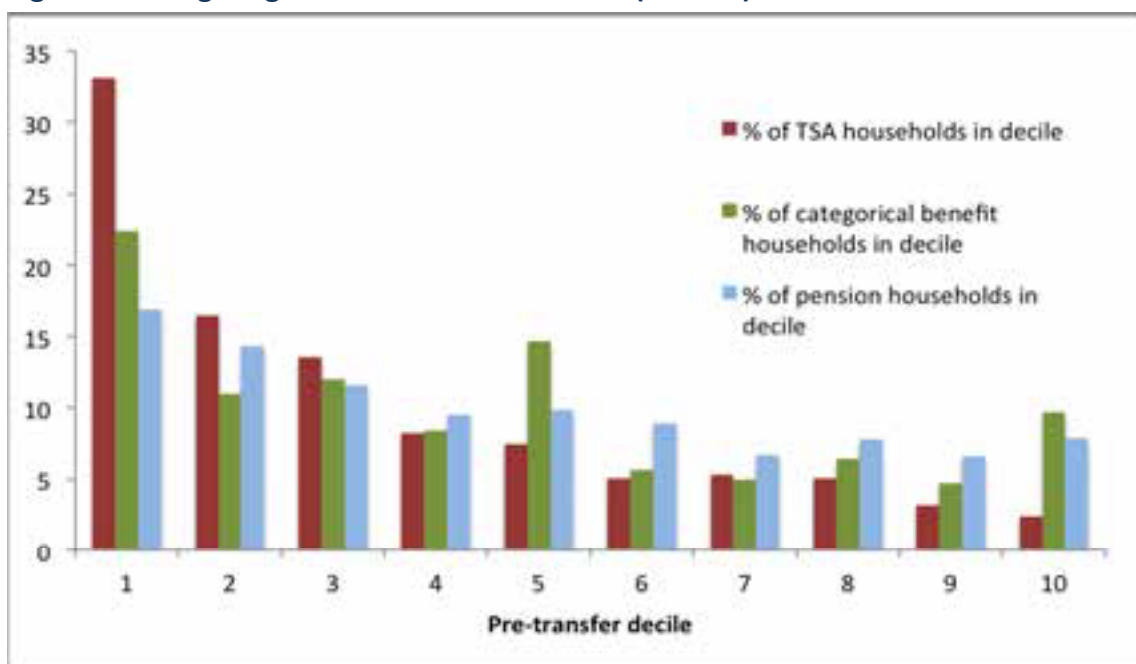
6.6 Categorical benefits

Although TSA is intended to replace all categorical benefits in time, the WMS 2009 showed over seven per cent of households were still in receipt of these benefits. This figure is unchanged in 2011.

6.6.1 Targeting of categorical benefits

Figure 6.5 shows that these types of benefit are not targeted as closely as TSA on the poorest households but are spread more evenly across consumption deciles.

Figure 6.5: Targeting of social transfers in 2011 (n=4147)³⁰



³⁰ For pensions, the deciles are based on consumption PAE minus pension income PAE; for TSA they are based on consumption PAE minus TSA income PAE; and for categorical benefits they are based on consumption PAE minus categorical benefit income PAE.

6.6.2 Coverage of categorical benefits

Coverage is low overall (7.2%) but is highest in the poorest tenth of households, over 16 per cent of which receive the benefit (Table 6.16).

Table 6.16: Receipt of categorical benefits in households by pre-categorical benefits PAE consumption decile 2011 (n=4147).

Decile ^a	Minimum PAE consumption (GEL)	Maximum PAE consumption (GEL)	Average monthly pre-categorical benefits PAE consumption	% of households in decile receiving categorical benefits 2011
1	-401.45	74.05	49.88	16.6
2	74.08	100.19	88.14	8.2
3	100.24	125.32	113.21	8.8
4	125.38	150.25	138.32	6.3
5	150.28	174.48	162.22	11.0
6	174.55	201.52	187.68	4.8
7	201.65	235.92	217.45	3.6
8	236.06	287.81	261.22	4.3
9	287.85	385.88	329.98	3.1
10	385.91	5336.23	654.08	6.1
Total	-401.45	5336.23	229.60	7.2

^aDecile group of pre-categorical benefits PAE consumption based on ranking of all households

6.6.3 Level of categorical benefits

The average amount of categorical benefit in recipient households is 32.9 GEL PAE a month. Recipient households with orphans get 28 GEL a month PAE. Households with orphans are identified in the WMS by receipt of benefit so percentage of orphans receiving the benefit appears to be 100 per cent. On the other hand, only a quarter of households that contain a person with a disability are in receipt of categorical benefits at an average rate of 24 GEL PAE a month; and 72 per cent of households with an IDP receive categorical benefits at a rate of 33 GEL PAE a month.

6.6.4 Effectiveness of categorical benefits in reducing poverty

The effect that categorical benefits have on overall poverty rates is small, reducing rates by less than two percentage points (Table 6.17).

Table 6.17: The estimated effects of categorical benefit income on household poverty rates 2011

Poverty threshold	% of households in poverty (n=4147)	% of total population living in such households	% of all children living in such households	% of all pensioners living in such households
Extreme poverty (< 71.7 GEL)	8.3	9.1	9.4	8.2
Excluding categorical benefits	9.0	10.0	11.1	9.0
Relative poverty (< 109.2 GEL)	21.8	23.5	25.2	21.3
Excluding categorical benefits	22.9	24.6	26.6	22.6
General poverty (< 143.4 GEL)	35.4	37.9	40.8	36.6
Excluding categorical benefits	36.0	38.6	41.5	37.2

It is important to note that categorical benefits have greater effects on their target groups than on national poverty levels. In the WMS, households that are considered to include a person with a disability are those where there is someone unemployed because of disability, in receipt of social assistance as the 1st category disabledblind person, or a family with many children, one of them being a disabled child. Focusing on only these households, the impact of categorical benefits is higher. Receipt of categorical benefits in households with a disabled person reduces the relative poverty rate by 5.4 percentage points (Table 6.18).

Table 6.18: The estimated effects of categorical benefit incomes on household poverty rates for only those households including at least one disabled person, an IDP or an orphan in 2011

Poverty threshold	% of households (with disabled person) in poverty (n=210)	% of households (with IDP) in poverty (n=178)	% of households (with orphan(s)) in poverty (n=25)
Extreme poverty (< 71.7 GEL)	15.4	6.8	12.3
Excluding categorical benefits	17.5	13.8	15.1
Relative poverty (< 109.2 GEL)	30.0	26.5	15.1
Excluding categorical benefits	35.4	38.6	24.5
General poverty (< 143.4 GEL)	46.2	44.5	24.5
Excluding categorical benefits	46.9	51.3	32.4

The effect of the allowance on poverty rates for households including someone with IDP status is reduced by a half for extreme poverty and by 12 percentage points for relative poverty. Households with orphans can only be identified in the WMS by receipt of social assistance for orphans. The figures in Table 6.18 suggest a high impact of social assistance to orphans but do not take account of any households with orphans where assistance is not received. It is also important to note that half of all households receiving categorical benefits also receive either pensions or TSA so the net effect of social transfers will be underestimated.

7. Health care services

7.1 Background

Across many indicators, the health of the Georgian population is improving. Infant mortality (the probability of dying between birth and age one per thousand live births) fell from 21 in 2005 to 14.1 in 2010³¹ and the under-five mortality rate per thousand live births fell from 25 to 16 over the same period³². Yet while health indicators are improving, financial barriers to health services persist for a considerable part of population. Between 2006, when a comprehensive health sector reform was launched, and 2009 the per capita government spending on health almost doubled³³. But public expenditure on health remains low and out-of-pocket expenditure is a dominant funding mode.

This analysis of the WMS 2011 looks at five dimensions of financial access to health care provision: the composition of household spending on health, its catastrophic costs, the distribution of health insurance, financial barriers to obtaining health care and services and the impoverishing effects of spending on health.

7.1 Composition of spending on health care in 2011

The mean annual household expenditure on health care in the year preceding the 2011 WMS was 281 GEL per equivalent adult (median 113.6 GEL). Adjusted for inflation this shows a slight decrease from 2009. Its share of all household expenditure, however, fell from 11 to just over nine per cent over the period (see Table 3.5). Expenditure on health care covers emergency medical assistance (including transportation costs), visits to doctors, medical procedures, surgical operations, hospital services, maternity care fees, women's consultations, regular checkups, immunisation costs, nursing and carers' fees, purchase of medicines, medical insurance premiums and other informal costs. Only 8.2 per cent of households in the survey incurred no health costs at all.

Section 4 showed that buying medicines and medical services were stated as the main problems confronted by 14.6 and 18.7 per cent of households respectively (Table 4.26). While the percentage of households finding that buying medicines is their main problem has fallen since 2009, the percentage struggling to pay for medical services increased.

Columns 2 and 3 of Table 7.1 show that, on average, the purchase of medicines remains the main component of health care spending, both in absolute terms and as a percentage of all health-related expenditure. Average values mask high variation in

³¹ Reproductive Health Survey- preliminary report, p 169

³² *ibid*

³³ World Health Organisation (WHO) Global Health Observatory Health Data Repository 2011 (<http://apps.who.int/ghodata/?theme=country>)

health spending since not all households have the same needs for services³⁴. Column 4 of the table shows, for example, that 88 per cent of households spent money on purchasing medicines in the last year at an average cost of 182 GEL (Column 5). Just over five per cent paid for surgical operations at an average cost of 627 GEL. The remaining 95 per cent, however, had zero expenditure on this item so the average cost for all households is much lower (34.1 GEL).

Table 7.1: Use of health care services and average composition of annual healthcare spending by households over the past year 2011 (n=4147)

	Average annual expenditure (GEL PAE)	Average % of all health expenditure	% of households using each form of health care	Average expenditure of users (GEL PAE)
Purchasing medicines	160.2	68.8	88.2	181.7
Surgical operations	34.1	2.7	5.4	627.0
Visits to doctor	31.6	8.9	33.3	94.8
Emergency medical help	13.6	1.0	4.6	294.9
Hospital services	11.2	3.4	3.9	72.6
Regular check-ups	11.1	1.3	15.4	282.0
Maternity care	7.0	2.0	3.8	184.5
Medical insurance premiums	6.7	2.1	4.4	152.4
Women's consultations	3.1	1.0	5.1	61.6
Other items	1.5	0.4	1.5	98.3
Nursing and care fees	0.3	0.0	0.1	429.4
Immunisation costs	0.3	0.2	0.9	30.9
Total	280.6			

³⁴ In 2011, for example, one household needed emergency assistance, surgery, hospital services and medicines, incurring exceptionally high costs.

Average annual spending on all forms of health care per equivalent adult has increased to 296 GEL in urban areas, compared to 285 GEL in 2009. This represents a decline of 12 per cent when adjusted for inflation. In rural areas it has increased from 215 to 265 GEL but when adjusted for inflation there is still an increase of just over four per cent. The difference in total spending on health care between urban and rural parts of the country was not significant in 2011.

However, there are significant differences in spending on particular services (Table 7.2). Among actual users of health services, expenditure on maternity care and immunisation is significantly higher for households in urban areas. Households in rural areas paying medical insurance premiums spend more on these than do urban households but the difference is not significant.

Table 7.2: Average composition of annual healthcare spending (GEL PAE) by urban and rural location in 2011 (n=4147)

	Average annual expenditure (GEL PAE)		Service users only			
	Urban	Rural		t-test significance	Urban	Rural
Purchasing medicines	161.7	158.7	ns		180.6	182.9
Surgical operations	34.6	33.7	ns		613.3	642.1
Visits to doctor	31.5	31.6	ns		85.6	106.5
Emergency medical help	19.2	7.8	ns		685.2	121.2
Regular check-ups	12.6	9.4	*		70.6	75.7
Hospital services	12.0	10.0	ns		318.4	247.3
Maternity care	9.2	4.8	**		208.3	150.5
Medical insurance premiums	9.4	3.9	*		127.9	287.2
Women's consultations	4.0	2.2	**		64.4	56.9
Immunisation costs	0.5	<0.1	**		43.2	5.5
Other items	0.5	2.5	*		61.1	110.8
Nursing and care fees	<0.1	0.6	ns		na	429.4
Total for all items	296	265	ns		296	254

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001; na not applicable

Spending on most types of health care is higher in Tbilisi than in other regions though overall spending is highest in Imereti Racha, due largely to high levels of spending on purchasing medicines and visits to a doctor. Expenditure on these items is also particularly high in Kakheti and Shida Kartli while in Ajara and Samtskhe-Javakheti expenses on hospital services and maternity care is higher than in other regions (Table 7.3a).

Table 7.3a: Average composition of annual healthcare spending (GEL PAE) by region in 2011 (n=4147)

Average annual expenditure (GEL PAE)											
	Tbilisi	Ajara	Guria	Imereti Racha	Kakheti	Mtskheta- Mtianeti	Qvemo qartli	Samtskhe- Javakheti	Samegrelo	Shida Qartli	Total
Purchasing medicines	152.8	125.5	128.3	240.6	199.8	135.3	115.6	48.9	126.0	157.2	160.2
Surgical operations	52.3	11.0	46.7	36.9	21.5	8.5	33.6	9.2	32.8	23.3	34.1
Emergency medical help	32.9	1.5	0.0	4.8	7.7	3.5	19.8	0.7	7.6	4.2	13.6
Visits to doctor	31.3	15.1	5.5	47.3	35.9	26.0	29.5	13.3	29.7	33.1	31.6
Regular check-ups	16.3	9.5	5.2	7.1	16.9	14.6	3.3	11.6	9.0	11.7	11.2
Medical insurance premiums	15.3	2.5	1.3	3.7	1.7	4.3	2.9	2.2	0.4	14.8	6.7
Hospital services	10.1	12.5	2.1	7.9	21.7	5.3	8.1	46.0	5.0	3.5	11.1
Maternity care	9.2	10.1	4.1	5.6	5.8	6.5	8.3	10.7	4.8	1.2	7.0
Women's consultations	5.3	2.2	0.1	3.5	2.5	1.4	1.9	4.3	1.4	1.1	3.1
Immunisation costs	0.8	0.0	0.0	0.0	0.1	0.0	0.4	0.0	0.0	0.3	0.3
Other items	0.1	0.0	0.4	0.3	7.4	0.0	0.2	12.4	0.0	0.6	1.5
Nursing and care fees	0.0	0.0	0.0	0.0	1.0	0.0	2.1	0.0	0.0	0.0	0.3
Total	326.3	189.9	193.7	357.8	322.1	205.5	225.7	159.3	216.8	251.0	280.6

Table 7.3b shows health care expenditure by region for actual users of each service. Although the regional effect on spending is significant overall, when each type of service is taken separately, regional location only has a significant effect on spending on maternity care, medicines, regular check-ups, health insurance and immunization.

Table 7.3b: Average composition of annual healthcare spending by actual users of each service (GEL PAE) by region in 2011 (n=4147)

Average annual expenditure (GEL PAE) for service users only												
		Tbilisi	Ajara	Guria	Imereti Racha	Kakheti	Mtskheta- Mtianeti	Qvemo qartli	Samtskhe- Javakheti	Samegrelo	Shida Qartli	Total
Emergency medical help		1423.9	46.5	9.3	112.4	64.8	72.5	365.7	31.1	110.1	100.7	294.9
Surgical operations		792.6	322.5	581.7	771.5	403.6	239.5	623.3	232.6	598.5	410.2	627.0
Maternity care		230.7	225.7	170.0	173.9	147.6	159.6	197.7	161.4	135.0	56.8	184.5
Hospital services		224.2	293.4	128.4	196.6	651.4	167.3	229.0	922.4	151.0	85.9	282.0
Purchasing medicines		165.9	134.3	133.7	257.3	227.3	153.2	141.0	114.5	148.8	171.1	181.7
Medical insurance premiums		125.3	88.7	118.0	270.4	106.7	136.0	135.0	406.2	101.7	645.0	152.4
Visits to doctor		78.4	61.3	27.8	131.6	102.2	84.1	84.2	67.7	145.7	83.1	94.8
Immunisation costs		74.7	12.5	na	4.0	15.7	5.7	18.9	na	5.1	12.0	30.9
Women's consultations		64.8	47.5	17.6	91.7	54.6	38.1	52.6	50.6	57.5	27.2	61.6
Regular check-ups		62.6	51.2	37.0	80.9	91.3	108.7	78.3	61.1	148.9	89.4	72.6
Other items		16.2	7.8	135.4	78.5	216.7	na	25.9	77.1	6.4	120.2	98.3
Nursing and care fees		na	na	na	na	592.1	na	379.1	na	na	na	429.4
Total		326.3	189.9	193.7	357.8	322.1	205.5	225.7	159.3	216.8	251.0	280.6

na: not applicable

7.3 Catastrophic health care costs

Since 2009, household spending (PAE) on healthcare, adjusted for inflation, has decreased by five per cent. As a percentage of all non-food consumption however, it has increased significantly for households in the bottom three quintiles. In quintiles 4 and 5 the change is not significant (Table 7.4).

Table 7.4: Monthly household healthcare spending by consumption quintile (1 is lowest) in 2009 (n=4646) and 2011 (n=4147) adjusted for inflation

		PAE Consumption Quintile					
	Year	1	2	3	4	5	Total
Total monthly healthcare spending (GEL PAE)	2009	65.2	115.0	188.6	292.2	593.0	250.7
	2011	60.0	117.5	171.6	235.9	552.9	237.8
Healthcare spending as % all consumption	2009	10.7	9.4	11.1	11.7	11.6	10.9
	2011	8.0	9.1	9.5	9.5	10.0	9.2
Healthcare spending as % non-food consumption	2009	20.5	20.7	22.2	21.1	18.2	20.5
	2011	21.9	24.4	23.9	21.7	18.2	21.9

For some households, out-of-pocket expenditure on medical services and medicines can be catastrophic. The costs of health care in a household are defined as catastrophic if they constitute over 10 per cent of total household consumption or over 25 per cent of household non-food consumption. These costs constituted over ten per cent of total consumption in 31 per cent of households, considerably fewer than in 2009 (54%). However, in 34 per cent of households, health care expenditure accounted for more than 25 per cent of non-food consumption, an increase from 2009 when the figure was 31 per cent.

7.4 Health insurance

The largest programme of state health insurance in Georgia is provided within the Medical Assistance Programme (MAP) (Box 7.1)

BOX 7.1: Schemes providing assistance for health insurance

State provision of health insurance for vulnerable families was introduced in 2006 under the framework of the Medical Assistance Program (MAP). Its main objective is to ensure that socially vulnerable populations have access to health care services and to protect them from catastrophic healthcare costs. The mechanism for targeting free health insurance is the same as for the TSA – families need to register in the database of socially vulnerable families and are subject to proxy means-testing. The only difference is that the threshold for health insurance is higher than for cash assistance; currently it stands at the score of 70,001. Families below this ranking score receive health care vouchers, which they need in exchange for health insurance at one of the insurance companies contracted by the Ministry of Labour Health and Social Affairs. Since 2008, certain categories (IDPs displaced after the August 2008 events, IDPs living in public housing, actors and artists who in the past have won state prizes, children in different forms of state care and institutionalized elderly people) are also entitled to free health insurance without the means-testing requirement. Health care vouchers are delivered by village doctors and social agents. Beneficiaries are entitled to a comprehensive package of primary and secondary healthcare services while the state provides monthly premiums for each insured in the amount of 11 GEL (except for the capital city where the monthly premium is 9.7GEL). Currently, the MAP is the largest health program and according to the SSA, accounts for 45% of the health budget³⁵. By September 2011, it covered 252,524 families (763,311 persons) representing 22% of all families in the country (17% of the total population)³⁶.

The 2009 WMS showed that less than a quarter of the population in Georgia was covered by any kind of health insurance. By 2011 this figure had increased to over 40 per cent. Over half (55%) of the households where there is some health insurance coverage are beneficiaries of the MAP, the figure rising to 76 per cent in rural areas. A further 12 per cent (18 per cent in urban areas) are covered by the related state subsidised health insurance scheme. A third of households have only private health insurance, self-financed or sponsored by an employer for at least one household member (Table 7.5).

³⁵ Ministry of Finance (2010) Law on State Budget 2010

³⁶ Social Service Agency. 2011.

Table 7.5: Distribution of types of health insurance in households by location 2011 (Unweighted n = 1659 households with some form of health insurance)

	%		
Type of health insurance	Urban	Rural	Total
MAP (with or without non-MAP state subsidised or private)	33.9	76.5	54.8
Non-MAP state subsidised (with or without private)	17.7	5.9	11.9
Private only	48.4	17.5	33.0
Number of households	523	1136	1659

Table 7.6 shows that just under 60 per cent of households have no health insurance in both urban and rural areas. The percentage of all households covered by MAP is 22.8 which makes 54.8 per cent of all households with any kind of insurance.

Table 7.6: Distribution of types of health insurance in households by location 2011 (n = 4147)

	%		
Type of health insurance	Urban	Rural	Total
No health insurance	58.2	58.8	58.5
MAP (with or without non-MAP state subsidised or private)	14.2	31.6	22.8
Non-MAP state subsidised (with or without private)	7.4	2.4	4.9
Private only	20.2	7.2	13.8
Number of households	1308	2839	4147

7.4.1 Health insurance by region

Table 7.7 shows that over three quarters of households in Qvemo qartli have no health insurance at all. MAP based insurance is most prevalent in Shida Qartli while Tbilisi has the highest percentage of households with private health insurance.

Table 7.7: Distribution of types of health insurance in households by region 2011 (n = 4147)

	% No health insurance	% MAP with or without other insurance	% Non-MAP state subsidised with or without private	% Private only
Tbilisi	53.1	10.1	10.3	26.5
Ajara	56.8	26.8	2.5	13.9
Guria	55.1	36.0	1.5	7.4
Imereti Racha	53.1	35.6	1.7	9.6
Kakheti	66.3	24.8	2.4	6.4
Mtskheta-Mtianeti	53.8	33.7	3.8	8.7
Qvemo qartli	76.7	8.6	4.9	9.8
Samtskhe-Javakheti	68.1	17.6	4.4	9.9
Samegrelo	62.1	23.9	5.3	8.7
Shida Qartli	50.5	39.9	1.4	8.2

7.4.2 Health insurance and ranking scores

In the WMS 2011 survey, 53.9 per cent of households had applied to be registered on the database of socially unprotected families. Of these, 1448 provided their ranking scores. Table 7.8 shows that most households with an entitlement to free health insurance are accessing it. Over three quarters of households with a ranking score below 70,001 are covered by MAP³⁷. However, 17.3 per cent of these vulnerable households reported that they had no form of health insurance. Among households with scores above the threshold of 70,000 and those who have made no application the figures are much higher (80.9 and 68.9 respectively) yet it is possible that some of these households are living at low levels of consumption.

³⁷ The lack of access to social assistance (including health insurance) by the poorest groups prompted the SSA, UNICEF and USAID HSSP to conduct a further survey of the poorest quintile of households in the 2009 WMS sample. The survey took place in November 2010, well before the WMS 2011. It is possible that the very process of asking people in depth about entitlements to free health insurance raised their awareness and contributed to the increased uptake of MAP between 2009 and 2011.

Table 7.8: Distribution of types of health insurance of households by ranking scores 2011 (Unweighted n=3295)

Type of health insurance	Ranking score status		
	0-70,000	Over 70,000	No application
No health insurance	17.3	80.9	68.9
MAP (with or without non-MAP state subsidised or private)	77.9	6.9	1.4
Non-MAP state subsidised (with or without private)	4.3	3.9	5.9
Private only	0.5	8.3	23.9
Number of households	1056	595	1644

7.4.3 Health insurance and consumption levels

Whereas 79 per cent of the poorest fifth of households had no health insurance at all in 2009, the figure had fallen to 70 per cent in 2011. Just over a fifth (21.3%) of the population living in households in the bottom quintile were covered by MAP in 2009 but in 2011 it has almost doubled to 40 per cent (Table 7.9).

Table 7.9: Distribution of types of health insurance of individual people (n= 14,837) by PAE consumption quintile of household 2011

Type of health insurance	% individuals by consumption quintile of household					Total
	1	2	3	4	5	
No health insurance	54.6	68.3	73.8	77.9	75.1	69.9
MAP (with or without non-MAP state subsidised or private)	40.3	24.7	16.5	10.9	5.2	19.5
Non-MAP state subsidised (with or without private)	3.5	3.1	3.8	2.5	2.4	3.1
Private only	1.6	3.6	5.9	8.7	17.4	7.5
Number of people	3113	3054	3201	2867	2602	14837

While more people (17.4%) in the richest quintile have private health insurance, five per cent of these better off households also benefit from MAP. Similarly, if we restrict our view only to beneficiaries of MAP, just four per cent are in the richest quintile and 43 per cent in the poorest (Table 7.10). Since 2009 the representation of the poorest quintile among MAP beneficiaries has increased significantly. There has been no significant change for the other quintiles.

Table 7.10: Distribution of recipients of free insurance by PAE consumption quintile of household in 2009 and 2011

Percentage of all people in households covered by MAP		Significance difference
Quintile	2009	2011
1	36.2	43.4
2	28.9	26.1
3	18.9	16.1
4	11.2	9.8
5	4.8	4.4
Number of people	2383	3268

ns Not significant; * p<0.05; ** p<0.01; *** p< 0.001 (Difference in Proportions Test based on z-scores)

Table 7.11 shows that MAP based health insurance is more prevalent among newly poor than other types of household.

Table 7.11: Types of health insurance for households that fell into relative poverty between 2009 and 2011

Type of health insurance	% of newly poor households	% of other households
No health insurance	54.9	59.2
MAP (with or without non-MAP state subsidised or private)	37.8	21.0
Non-MAP state subsidised (with or without private)	4.4	4.8
Private only	2.8	15.0
Number of households (unweighted)	502	3518

7.5 Financial barriers to health care

Cost is a major barrier to accessing health services. Almost half of all households in 2011 included at least one person who needed medical services for which the household could not afford to pay. Financial costs continue to act as barrier to healthcare provision in a higher percentage of rural than urban households and there has been no significant change since 2009³⁸ (Table 7.12).

³⁸ The affordability of medicines was not covered in the 2011 questionnaire.

Table 7.12: Financial barriers to healthcare by urban or rural location in 2009 and 2011

	% of households where medical services were needed but unaffordable	
	2009	2011
Urban	44.8	47.9
Rural	52.6	51.9
Total	48.6	49.9
Number of households	4646	4147

The regions in which affordability limited access to medical services among the highest percentage of households in 2009 were Qvemo qartli and Guria. In Qvemo qartli almost two thirds of households went without certain medical services in the year before the survey because they were not affordable. In 2011 the relative situations of regions are rather different. It is now Kakheti and Shida Qartli that have the highest percentage of households unable to afford the medical services they need (Table 7.13).

Table 7.13: Financial barriers to healthcare by region in 2009 and 2011

	% of households where medical services were needed but unaffordable			
	2009	n	2011	n
Tbilisi	49.6	1227	49.5	1096
Ajara	37.1	353	53.1	318
Guria	58.9	151	46.3	136
Imereti Racha	51.1	880	41.3	783
Kakheti	36.0	470	66.6	419
Mtskheta-Mtianeti	41.4	116	59.2	103
Qvemo qartli	62.6	455	48.8	406
Samtskhe-Javakheti	36.5	203	31.9	182
Samegrelo	49.1	464	46.6	414
Shida Qartli	54.4	327	62.2	291
Total	48.6	4646	49.8	4147

Not surprisingly, cost as a barrier to health care still affects a higher percentage of households at lower levels of consumption. However, the situation is improving for poorer households, probably as a result of increasing coverage by MAP insurance, while worsening for better off households in the top two quintiles (Table 7.14).

Table 7.14: Financial barriers to healthcare by consumption (PAE) quintile of household in 2009 and 2011

	% of households where some form of health care was needed but unaffordable in the previous year	
	2009	2011
Quintile 1 (poorest)	64.1	56.2
2	57.7	56.0
3	50.3	51.4
4	44.1	50.4
5	27.0	37.2
Total	48.6	49.9

7.6 The impoverishing impact of out-of-pocket expenditure on health care

We can illustrate the impoverishing effects of out-of-pocket health care payments by identifying the percentage of households that would fall below the different thresholds of consumption poverty if health care services were provided free of charge. Adding the amount spent on health care to each household's total expenditure simulates the effect of free health care services by recompensing households for their health service costs.

Under this scenario, the number of households living in poverty would be lower. The size of the effect depends on the poverty threshold used. Table (7.15) below shows that the extreme poverty rate falls by 1.2 percentage points, official poverty by 3.1 and the general poverty rate by 4.7 percentage points when expenditure on health care is credited back to household budgets. Such decline in the poverty rates can be regarded as increased well-being if there were no decrease in the level of healthcare provided.

Table 7.15: The estimated effects on poverty rates of providing free health care services in 2011

Poverty threshold	% of households affected (n=4147)	% urban households	% rural households
Extreme poverty (71.7 GEL)	8.3	7.0	9.6
Excluding health care expenditure	7.1	5.9	8.3
Official poverty (109.2 GEL)	21.8	18.0	25.6
Excluding health care expenditure	18.7	15.8	21.6
General poverty (143.4 GEL)	35.4	30.8	40.1
Excluding health care expenditure	30.7	26.5	35.2

An alternative approach is to illustrate the impoverishing effects of out-of-pocket health care payments by identifying the percentage of households that fall below the different thresholds of consumption poverty after expenditure on health is deducted from total consumption PAE³⁹. Poverty rates increase quite substantially as the total consumption measure falls (Table 7.16).

Table 7.16: Increases in household poverty rates when healthcare costs are deducted from total consumption in 2011

	% households in poverty			
	Before deduction of health spending	After deduction of health care of health spending	% increase 2011 (2009)	point (2009)
Extreme poverty (71.7 GEL)	8.3	11.1	2.8	(3.7)
Relative poverty (109.2 GEL)	21.8	26.9	5.1	(6.7)
General poverty (143.4 GEL)	35.4	41.8	6.4	(8.4)

The effect is slightly less than in 2009 but the costs of health care are still driving significant numbers of households below poverty thresholds.

³⁹ World Bank (2008) Georgia Poverty Assessment

8. Child poverty

8.1 Background

Despite the global economic crisis, the reform of the child welfare system has been steadily advancing in Georgia. This is due largely to major advocacy efforts and the financial support of international donors including UNICEF. In October 2010 the MOLHSA adopted a new Plan of Action of Child Care System Reform for 2011-12. The plan re-iterates the government's strong commitment to reform and sets out an ambitious goal of closing down almost all residential institutions and downsizing the ones for children with disabilities. The residential institutions will be replaced with alternative forms of care, such as small group homes, and child abandonment prevention mechanisms will be strengthened through increased support to vulnerable families.

The number of children in the child care system continues to decrease, though the use of different definitions at different times makes it somewhat difficult to compare figures. Overall, since the start of the reform the overall number of children in institutional care has decreased from 5000 to 1300 in 2010; the number of children in foster care has increased to 600.

8.2 Child poverty

Forty per cent of households in the WMS 2011 sample include at least one child under 16 years old. Poverty rates for these children have fallen overall for every threshold level. Children are still more likely to be poor than the greater population or pensioners. About half of all households with children are situated in rural areas. Although the fall in extreme child poverty has been greatest in urban areas, relative and general child poverty has dropped more markedly in rural parts of the country (Table 8.1).

Table 8.1: Changes in urban and rural child poverty rates between 2009 and 2011

		2009 (Unweighted number of children=3258)	% of	2011 (Unweighted number of children=2713)	% of	% change	point	Significance of change
Extreme	Urban	10.0		6.4		-3.6		**
	Rural	13.0		12.7		-0.3		ns
	Total	11.5		9.4		-2.1		**
Relative	Urban	19.6		19.7		0.1		ns
	Rural	37.6		31.0		-6.6		**
	Total	28.4		25.2		-3.2		**
General	Urban	37.7		34.1		-3.6		ns
	Rural	60.7		48.0		-12.7		**
	Total	49.0		40.9		-8.1		**

ns Not significant; ** p<0.01; *** p<0.001 (Difference in Proportions Test based on z-scores)

The material living conditions of children have also improved significantly, both in terms of durable goods in households and in the condition of housing itself. Table 8.2 shows how the percentage of children in households lacking durable goods has changed since 2009. While 20.9 per cent lived in households lacking five or more types of goods in 2009, the corresponding figure for 2011 is 8.9 per cent, a decrease that is statistically significant (p<0.001).

Table 8.2: Children living in households lacking different numbers of types of durable goods 2009 and 2011 (shaded cells indicate households lacking 5 or more types of goods)

Number of selected types of item lacked by household	% of all children living in such households	
	2009	2011
0	10.0	12.6
1	16.1	21.0
2	15.8	19.1
3	19.3	19.6
4	17.9	18.9
5	14.7	6.2
6	5.1	2.3
7	1.1	0.4

Significant reductions have also occurred in the proportion of children living in dwellings that are in poor condition (Table 8.3).

Table 8.3: Children living in households reporting housing problems in 2009 and 2011

	% of all children living in such households		Significance of difference
	2009	2011	
Damaged, leaking roof	43.0	36.9	**
Damaged floor or walls	40.3	35.0	**
Earth floor	13.9	11.5	**
Dwelling is damp	43.1	38.6	**
Broken windows	20.3	16.8	**
Noise	10.2	9.3	ns
Dwelling too small	39.2	32.4	**

In 2009, 13 per cent of all children lived in households lacking five or more types of durable goods, experiencing at least two types of major housing problem and their dwellings were confirmed by interviewers to be in bad or very bad condition. The extent of this double material deprivation for children had fallen to 5.7 per cent in 2011.

Table 8.4 summarise the changes in multiple deprivation over the period between the WMS waves, highlight the situation of children.

Table 8.4: Changes in multiple dimensions of poverty and social exclusion between 2009 and 2011

Dimension	Children in poor and deprived households (%)	
	2009	2011
Extreme poverty	11.5	9.4*
Relative poverty	28.4	25.2*
General poverty	49.0	40.8*
Material deprivation	13.1	5.7*
Subjective poverty	36.4	31.1*
Social exclusion	8.6	6.7*
Lack of utilities	60.3	59.8

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores

8.3 Water, sanitation and hygiene

Access to adequate supplies of clean water is a fundamental need that has considerable health and economic benefits to households and individuals. The lack of access to adequate water contributes to deaths and illness, especially in children. Thus, the improvement of access to water is a crucial element in the reduction of under-five mortality and morbidity, particularly in poor urban areas. A goal of UNICEF's World Fit for Children plan of action is to reduce the proportion of households without access to hygienic sanitation facilities and affordable and safe drinking water by at least one third.

Using the measures described in Section 4 above, the WMS 2011 shows that nearly nine per cent of children in rural Georgia (and almost one per cent of urban children) live in households where there is no improved source of drinking water (Table 8.5).

Table 8.5: % of Children in Households with Improved/Unimproved Water in 2011

Water source	Urban	Rural	Total
Piped on premises	81.8	21.3	52.9
Other improved	17.3	70.2	42.6
Unimproved	0.8	8.6	4.5
Unweighted n	884	1829	2713

Four per cent of urban children live in households with unimproved or shared sanitation facilities. The figure is much higher (43.3%) for rural children. many of these unimproved facilities consist of pit latrines with no slab.

Table 8.5: Percentages of children living in households with improved and unimproved sanitation facilities in 2011

Sanitation	Urban	Rural	Total
Improved	96.0	55.5	76.4
Unimproved	3.9	43.3	22.9
Shared	0.1	1.2	0.6
Unweighted n	884	1829	2713

Table 8.6 gives a regional breakdown of access to improved water and sanitation. Guria has by far the lowest percentage of children living in households with improved sanitation while Tbilisi can boast 100%.

Table 8.6: Percentage of children living in households with access to improved water source and sanitation by region in 2011

	% with improved water source	% with improved sanitation	Unweighted n
Tbilisi	100.0	99.7	318
Ajara	94.0	64.0	220
Guria	88.2	18.8	150
Imereti, Racha	89.1	88.2	542
Kakheti	96.3	58.4	305
Mtskheta-Mtianeti	98.2	87.5	128
Qvemo qartli	97.2	64.9	394
Samtskhe-Javakheti	99.3	37.4	229
Samegrelo	90.5	64.6	221
Shida Qartli	96.2	64.5	206
Total	95.4	76.4	2713

8.4 Birth Registration

The number of children who have acquired their right to a legal identity is based on birth registration figures. These were collated from the Multiple Indicator Cluster Survey (MICS) in Georgia in 2005.

Box 8.1: Birth Registration in MICS

The Convention on the Rights of the Child states that every child has the right to a name and a nationality and the right to protection from being deprived of his or her identity. Birth registration is a fundamental means of securing these rights for children. World Fit for Children states the goal to develop systems to ensure the registration of every child at or shortly after birth, and fulfill his or her right to acquire a name and a nationality, in accordance with national laws and relevant international instruments. The indicator is the percentage of children under 5 years of age whose birth is registered.

Source: Georgia: Monitoring the situation of children and women. UNICEF (2008)

Table 8.7 compares the data on birth registration for 2005 with those obtained from the WMS 2011 showing improved rates across the board. Rates are not significantly affected by gender, region, location, women's education, consumption

levels or nationality. The only significantly lower rate for 2011 is for two-year-old children. Most of these would have been born in 2009.

Table 8.7: Birth registration rates of children aged 0 to 59 months 2005 and 2011

	% births registered MICS 2005 (n=2222)	% births registered WMS 2011 (n=888)
Gender		
Male	91.6	98.1
Female	92.3	99.0
Region		
Tbilisi	98.8	99.2
Achara	95.8	100.0
Guria	96.4	100.0
ImereTi, Racha	98.5	98.8
Kakheti	80.9	93.9
Mtskheta-mtianeti	96.2	100.0
Qvemo qartli	78.9	98.1
Samtskhe-javakheti	84.7	100.0
Samegrelo	89.0	98.6
Sida qartli	91.2	96.1
Location		
Urban	96.6	98.7
Rural	87.1	98.3
Age		
0-11 months	91.7	99.0
12-23 months	93.7	100.0
24-35 months	90.7	95.4**
36-47 months	92.1	99.5
48-59 months	91.5	100.0
Mother's education^a		
Below secondary	na	100.0
Secondary	86.3	98.1
Vocational	95.0	97.0
Higher	96.2	99.5
Wealth index quintiles^b		
Poorest	89.1	98.8
Second	83.7	97.8
Middle	89.8	98.1
Fourth	96.7	99.5
Richest	98.0	98.4
Nationality of head of household		
Georgian	94.1	99.0
Azerbaijani	72.7	96.6
Armenian	89.8	95.5
Other Ethnic	96.9	100.0
Total	91.9	98.5

^a WMS 2011 data based on highest educational level of all women in the household

^b WMS 2011 data based on consumption quintiles

** Difference significant p<0.01

8.5 Pre-school and school attendance

The background to the current system of education in Georgia is explained in the 2011 report by ISSA⁴⁰. Currently the first six of 12 years of schooling provide for initial education, years 7-9 provide basic education and years 10-12 provide secondary education courses. The ISSA report (p30) finds that:

“Enrollment rates for individuals between ages 4 and 7 (normally the age to be at preschool) in the poorest quintiles are 20 to 30 percent lower than those for individuals in the richest quintile. This large difference may be explained by the fact that preschool (not being compulsory) is mainly paid out-of-pocket.”

Of the 3 to 5 year-old children in the WMS 2011 sample, 41 per cent in total attended kindergarten during the academic year before the survey. This included 30.1 per cent of 3 year-olds, 49 per cent of 4 year-olds and 47.6 per cent of 5 year-olds. Almost 90 per cent of all kindergarten pupils attended a public establishment and only 10.8 per cent went to a private one. There is no significant difference in the attendance rates for girls (43.3%) and boys (39.2%).

The consumption quintile of the child's household does, however, have a significant impact for girls (Chi-square = 10.16; $p < 0.05$). Table 8.8 shows that while almost 60 per cent of 3 to 5 year-old girls in the richest fifth of households attended kindergarten, the figure for the poorest fifth was less than a third. As reported by ISSA above, the attendance of children in the poorest quintile is still much lower than that of children in the richest households.

Table 8.8: Kindergarten attendance of 3 to 5 year-olds by consumption quintile of household (PAE) in 2011 (n=464)

Quintile group	Total number attending kindergarten	%	% of girls	% of boys
1 (Poorest)	28	30.2	32.6	28.3
2	42	39.0	33.3	43.1
3	41	42.7	55.9	36.5
4	43	42.6	40.9	42.9
5 (Richest)	40	52.4	59.0	46.5
Total	194	41.0	43.3	39.1

⁴⁰ European Union (2011) Social Protection and social inclusion in Georgia. Institute of Social Studies and Analysis (ISSA).

The state fully funded about half of the children attending kindergarten but there is no significant association between funding source and quintile group of the household. Of course the children in the WMS 2011 would have been up to a year younger in the time period to which the survey questions refer. A repeat analysis to include children aged 3 to 6 years at the time of the survey produces the results shown in Table 8.9.

Table 8.9: Kindergarten attendance of 3 to 6 year-olds by consumption quintile of household (PAE) in 2011 (n=684)

Quintile group	Total number attending kindergarten	%	% of girls	% of boys
1 (Poorest)	43	30.5	35.3	26.0
2	50	30.9	28.2	32.9
3	57	43.2	54.2	36.9
4	67	47.2	57.1	37.5
5 (Richest)	59	55.7	60.8	51.9
Total	276	40.4	45.4	36.1

Again there is a significant rise in the proportion of children in higher consumption quintiles attending kindergarten. Furthermore, the gender difference is significant (Chi-square=6.12; $p<0.05$), attendance rates being higher for girls.

At age seven, the ISSA report found about 68 per cent of all the children in the richest quintile are enrolled in school compared to only 53 per cent in the poorest quintile, suggesting late enrollment in basic education, especially among the poor.

The WMS 2011 finds a higher rate of school attendance but otherwise reveals similar patterns related to poverty. We selected children aged 7 or 8 at the time of the survey to cover all children who would have been aged 7 in the previous academic year. Ninety per cent of these children attended school, 92.5 per cent of girls and 87.2 per cent of boys. The gender effect is not significant and here there is no significant variation by consumption quintile (Table 8.10).

Table 8.10: School attendance of 7 year-olds by consumption quintile of household (PAE) in 2011 (n=306)

Quintile group	Total number attending school	%	% of girls	% of boys
1 (Poorest)	68	93.2	93.9	90.5
2	60	88.2	97.0	80.6
3	47	83.9	84.0	83.9
4	60	90.9	91.5	89.5
5 (Richest)	41	95.3	91.7	100.0
Total	277	90.2	92.0	87.8

9. Household coping strategies

9.1 Background

The financial crisis has significantly curtailed the ability of Georgian families to repay bank loans and debts and has further exacerbated their economic problems. In 2009 half of the respondents of the WMS stated that their situation has worsened because of the crisis. Repayment of loans was the most frequently stated reason for a worsened economic situation and accounted for 38% of all reasons mentioned and was reported in nearly two thirds of crisis-affected families (63%). This could indicate that consumption is not due to wealth but rather due to need.

Table 4.26 above shows that there has since been an increase in the proportion of households reporting debt repayments as their main problem, along with increases in problems relating to payment for medical services and utility charges.

Economic situations were reported as worsening over the previous year in 43.2 per cent of households. However, this figure has fallen significantly since 2009 when it was 49.3 per cent. Table 9.1 shows that the fall in perceptions of worsening conditions was significant in both urban and rural areas although the percentage of households reporting worsening conditions remains higher for urban (46.6%) than for rural areas (39.8%).

Table 9.1: Respondents' views of the changing economic situation of household by urban and rural location in 2009 and 2011

Change over last year	% Urban households		% Rural households		% Total households	
	2009	2011	2009	2011	2009	2011
Worsened	51.3	46.6*	47.2	39.8*	49.3	43.2*
Not changed	43.3	47.6	48.8	53.9	46.0	50.7
Improved	2.4	5.1*	1.9	3.0	2.2	4.1*
Don't know	2.7	0.7	2.1	3.0	2.4	1.8
Refused to answer	0.1	0.0	0.1	0.3	0.1	0.1
Number of respondent households (unweighted n)	1528	1308	3120	2839	4648	4147

* Significantly different ($p < 0.05$) between 2009 and 2011 using the Difference in Proportions Test based on z-scores

As in 2009, analysis of the valid answers to the question about changing situations reveals a significant effect of consumption level (Table 9.2). In the poorest

consumption quintile, a significant worsening of economic conditions was much more common (18%) than in the richest fifth (10%) of households. It is also telling that perceived improvements in economic conditions of households increase with consumption quintile. Only 1.3 per cent of the poorest fifth of households report improved conditions compared to 8.6 per cent of the richest fifth.

Table 9.2: Respondents views of the changing economic situation of the household by quintile group of PAE consumption in 2011 (1 is lowest).

Change over last year	% of Quintile				
	1	2	3	4	5
Has significantly worsened	18.4	12.7	12.2	12.8	9.8
Has worsened	34.3	27.0	31.3	31.4	31.2
Has not changed essentially	46.0	57.6	53.5	51.2	50.4
Has improved	1.3	2.6	2.7	4.6	7.9
Has significantly improved	0.0	0.0	0.2	0.0	0.7
Number of households	812	811	802	802	816
(unweighted n=4043 ^a)					

^a Excludes those who answered 'Do not know' or who refused to answer.

9.2 Reasons for worsening household situations

In households where the economic situation had worsened or significantly worsened during the last 12 months, respondents were asked to give up to three main reasons. The total number of reasons given by people in 1792 households was 2967 (Table 9.3).

Table 9.3: Reasons given by household members for worsening economic circumstances, shown as the percentage of times they were mentioned and as the percentage of households in which they were mentioned in 2011

	Responses		% Households (n=1792)
	N	%	
Debt repayments	1326	44.7	74.0
Serious illness	485	16.3	27.0
Decrease in household income	311	10.5	17.3
Decreased remittances from abroad	257	8.7	14.3
Loss of job(s)	244	8.2	13.6
Decreased agricultural production	235	7.9	13.1
Loss of breadwinner	79	2.7	4.4
Increased prices	16	0.5	0.9
Termination of social assistance	11	0.4	0.6
Loss of family member(s)	3	0.1	0.2
Total	2967	100.0	

Table 9.4 shows some important changes in the percentages of households reporting different reasons for their worsening circumstances. While problems related to decreasing income and job losses are less prevalent there has been a significant increase in households attributing financial difficulties to debt, decreased production and loss of remittances from abroad.

Table 9.4: Reasons given by household members for worsening economic circumstances in 2009 and 2011

	% households		Significance of difference
	2009 (n=2185)	2011 (n=1792)	
Debt repayments	63.9	74.0	**
Serious illness	29.2	27.0	ns
Decrease in household income	22.9	17.3	**
Loss of job(s)	19.7	13.6	**
Decreased agricultural production	10.3	13.1	**
Decreased remittances from abroad	9.1	14.3	**

ns Not significant; * p<0.05; ** p<0.01 (Difference in Proportions Test based on z-scores)

9.3 Additional sources of livelihood

As in 2009, households were asked which of a list of additional sources of livelihood they were able to draw upon when their economic situation worsened. These are shown in Table 9.5. The shaded rows indicate other sources, not listed but mentioned by respondents.

In 2009, most households (62%) faced with worsened economic situations had no additional source of livelihood. By 2011, this figure had grown to 65 per cent but the difference is not statistically significant. Other alternative sources of livelihood are also similar in the two years. Almost a fifth of households received assistance from relatives or friends and others borrowed money elsewhere.

Table 9.5: Additional sources of livelihood mentioned by members of households experiencing worsened economic circumstances in 2011

	Responses		% Households
	N (1869)	%	(n=1664)
Have had no additional livelihood source	1083	58.0	65.1
Assistance from a relative or a friend	313	16.7	18.8
Borrowing from a bank or other financial institution	135	7.2	8.1
Borrowing from a relative or a friend	90	4.8	5.4
Social assistance to vulnerable households	78	4.2	4.7
Dissaving	54	2.9	3.2
Sale of property (land, house, livestock, car, etc.)	43	2.3	2.6
Assistance from a non-relative or a non-friend	27	1.4	1.6
Borrowing from a non-relative or a non-friend	10	0.6	0.6
Other social assistance	8	0.4	0.5
Social Assistance (undefined)	8	0.4	0.5
Assistance from municipality	6	0.3	0.3
Assistance from religious organizations	1	0.1	0.1
Assistance from another NGO (charity organization)	1	0.1	0.1
Employment in foreign country	2	0.1	0.1
IDP assistance	2	0.1	0.1
Private farm	2	0.1	0.1
Sale of items from home	2	0.1	0.1
Lending money	2	0.1	0.1
Son is supporting	1	0	0
Operation of a child	1	0	0
Total	1869	100.0	

When the types of alternatives mentioned are grouped into broader categories it is clear that there have been changes in the way urban and rural households deal with their difficulties. In 2009, assistance in kind from relatives, friends or other people was a more common additional source of livelihood for urban than for rural households. The same was true of borrowing. In 2011 these patterns were reversed and rural households were more likely to rely on friends, family or borrowing. The rate of borrowing in rural households almost doubled over the two years. Whereas in 2009 it was rural households that were more likely to have had no alternatives means of support, it is urban households most likely to be in that position in 2011 (Table 9.6).

In both years, rural households were more likely, than urban ones, to have relied on social assistance and this differential has increased markedly in 2011.

Table 9.6: Additional sources of livelihood mentioned by members of households experiencing worsening economic circumstances in urban and rural areas in 2009 and 2011

	% Urban		% Rural	
	2009	2011	2009	2011
Assistance in kind	26.8	17.8	17.0	23.7
Borrowing or dissaving	17.6	13.1	12.0	22.4
Renting or sale of goods	2.4	2.7	3.3	3.5
Charitable assistance	0.5	0.0	1.3	0.4
Social assistance	4.3	1.9	9.6	11.0
None	58.2	71.7	67.2	57.3
Total households	711	533	1339	1032
(unweighted n)				

It remains the case in 2011 that it is generally the better off households that have alternative sources of livelihood available to them, particularly borrowing or dissaving (Table 9.7). Ten per cent of households in the poorest quintile still rely on social assistance and although the percentage of the poorest households with no alternative support has increased from 66 to 71, the increase is not statistically significant.

Table 9.7: Additional sources of livelihood mentioned in households experiencing worsening economic circumstances by quintile group of PAE consumption (1 is lowest) in 2011

	% of households in each quintile				
	1	2	3	4	5
Assistance in kind	18.0	16.4	18.5	25.0	24.6
Borrowing or dissaving	10.7	14.6	17.9	17.4	27.0
Renting or sale of goods	3.0	3.3	4.4	0.5	4.2
Charitable assistance	0.2	0.2	0.5	0.0	0.0
Social assistance or pension	10.3	67.4	4.9	5.8	1.2
None	70.5	69.2	66.2	63.5	55.9

9.4 Alleviating the impact of worsening economic situations

The most frequent way in which respondents said they tried to alleviate the impact of their worsened economic circumstances was by consuming cheaper food (mentioned in nearly 42 per cent of households) or reducing food consumption (mentioned in over 38 per cent of households).

In more than 15 per cent of households the purchase of some non-food items was stopped and in many cases a switch was made to buying cheaper or second hand items. Reductions in visits to the doctor for regular check-ups were mentioned in 12 per cent of households. In a third of households, nothing specific was reported as helping to alleviate worsening economic conditions (Table 9.8).

Table 9.8: Means used to alleviate the impact of worsening economic situations in households reporting problems in 2011

	Responses		% Households (n=1677)
	N	%	
Started consuming cheaper food	701	24.0	41.8
Did nothing special	565	19.4	33.7
Reduced food consumption	647	22.1	38.6
Stopped buying some non-food items	258	8.8	15.4
Started buying cheaper non-food items	171	5.9	10.2
Reduced visits to doctor for regular checkups	202	6.9	12.0
Started buying second-hand items	129	4.4	7.7
Spend less on entertainment	70	2.4	4.2
Produced more food for own consumption	61	2.1	3.6
Spend less on mass media (newspapers, internet)	38	1.3	2.3
Made greater use of public transport or walked more	39	1.3	2.3
Household member went elsewhere for seasonal work	19	0.7	1.1
Made greater use of public health care services	5	0.2	0.3
Withdrew child from nursery, school or college	9	0.3	0.5
Transferred children from private to public school	3	0.1	0.1
Postponed admission to nursery, school or college	2	0.1	0.1
Postponed child's study in higher education	1	<0.1	<0.1
Decreased communal payments	3	0.1	0.1
Total	2921		

Rural households were significantly more likely to have increased their subsistence production, changed their non-food consumption, buying cheaper or second hand products, and to have changed their use of health services. Urban households on the other hand, were more likely to have reduced their use of private transport (Table 9.9).

Table 9.9: Means used to alleviate the impact of worsening economic situations in urban and rural households reporting problems in 2011

	% Urban households	% Rural households
Change in food consumption	81.7	79.1
Moving to find work	0.7	1.7
Increase in subsistence production	0.8	7.0*
Change in non-food consumption	34.6	46.1*
Change in use of educational services	0.7	1.2
Change in use of health services	10.4	14.7*
Reduced use of private transport	3.4	0.9*
None	32.7	35.1
Total number of households	919	755

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores

As in 2009, while most means of alleviating economic pressure varied little across consumption quintiles, there is a marked difference regarding food. Reducing food or buying cheaper food was a means used in 96 per cent of households in the poorest quintile compared to only just over a half of the best off group (Table 9.10).

Table 9.10: Means used to alleviate the impact of worsening economic situations in households reporting problems across PAE consumption quintiles (1 is lowest) in 2011

	Quintile				
	1	2	3	4	5
Change in food consumption	96.3	89.7	90.6	73.9	51.0
Moving to find work	0.2	1.5	0.6	0.9	2.7
Increase in subsistence production	3.1	4.3	4.3	4.2	2.5
Change in non-food consumption	35.1	42.2	41.9	35.3	45.4
Change in use of educational services	0.9	1.1	0.5	1.4	0.5
Change in use of health services	12.1	13.8	14.0	9.3	12.8
Reduced use of private transport	2.4	0.7	2.6	2.2	3.4
None	29.8	30.9	27.1	37.5	43.6
Total number of households (weighted)	393	303	309	333	336

9.5 Debt and borrowing

Ironically, while debt repayments were seen as a cause of worsening economic situations in almost three quarters of households (see Tables 9.3 and 9.4 above),

borrowing was frequently used as an additional source of livelihood in straitened times, especially by urban households. During the year preceding the WMS, nearly 44 per cent of all households had borrowed money, significantly more than in 2009 (36%).

In many households there was more than one type of borrowing. In total, 2140 types of borrowing were reported in 1773 households. People in these households had most frequently borrowed from a bank or pawn shop (60.4%) or from a relative or friend (29.8%). However, since 2009 there has been a significant decrease in people borrowing from friends and relatives and from credit associations. At the same time there has been an increase in households turning to banks or pawn shops for loans (Table 9.11).

Table 9.11: Sources of borrowing among crisis-affected households during the year before the survey (2009 and 2011)

Source	Number of loans	% Loans	% Households 2011	% Households 2009
Relative or friend	522	24.4	29.4	36.8*
Private person or money lender	124	5.8	7.0	6.6
Bank or pawn shop	1072	50.1	60.4	48.7*
Credit association	21	1.0	1.2	3.1*
Shop or drugstore	402	18.8	22.6	24.6
Total	2140	100.0	n=1667	n=1773

* Significantly different ($p < 0.05$) using the Difference in Proportions Test based on z-scores

The shift away from relatives and friends as a source of financial support is most marked in rural households (Table 9.12).

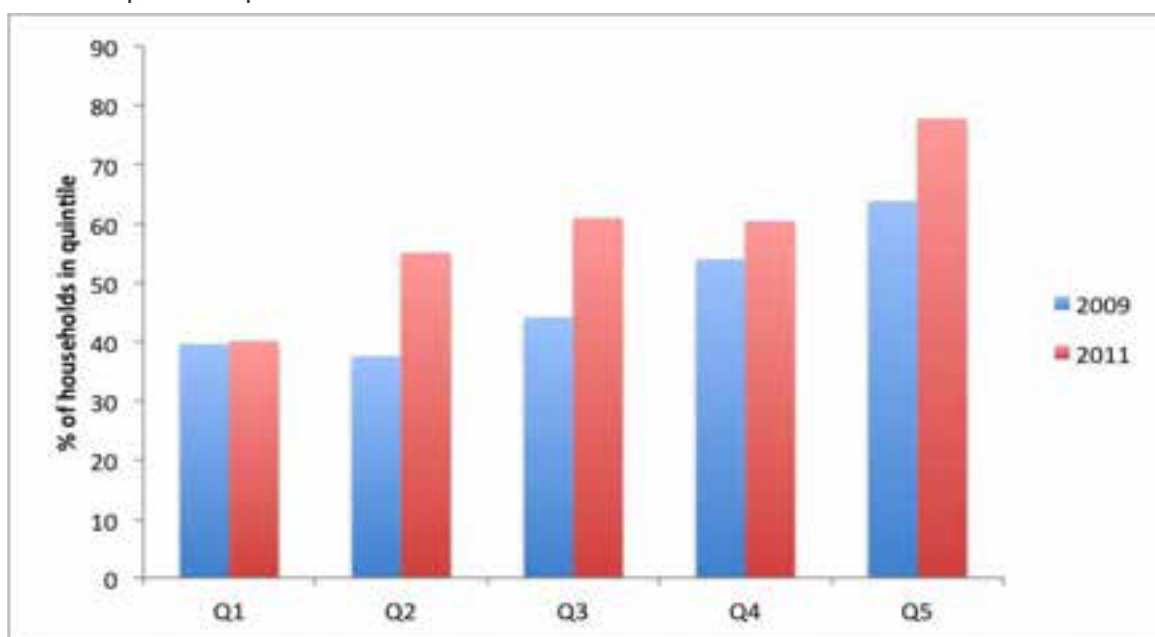
Table 9.12: Sources of borrowing among crisis-affected urban and rural households during the year before the survey

Source	% Urban households		% Rural households	
	2009	2011	2009	2011
Relative or friend	20.9	24.2	52.4	35.2*
Private person or money lender	6.5	6.7	6.7	7.3
Bank or pawn shop	64.1	69.8*	33.5	50.2*
Credit association	6.1	1.7*	0.1	0.7
Shop or drugstore	12.9	13.4	36.1	32.7
Number of households	824	925	839	849

Table 4.39 showed that households that have fallen into poverty since 2009 are significantly more likely than other households to live in rural areas and Section 4.1.2 indicates an increasing poverty gap in rural Georgia. This may explain why family and friends are increasingly less able to provide support, leaving households to turn to formal sources of credit. In 198 cases, nearly five per cent of all households, a relative or friend had been approached during the previous 12 months but had not lent any money. In 132 of these situations, the reason given was insufficient income.

Although use of banks and pawnshops by households in the poorest quintile has changed little since 2009, there has been a substantial increase in their use by all other quintiles. They are no longer the preserve of the rich (Figure 9.1). The implication of the resulting effect of interest rates on the ability of poorer households to repay their loans is a cause for some concern.

Figure 9.1: The percentage of households borrowing money in each quintile who used banks or pawnshops in 2009 and 2011



In nearly a quarter of households in 2011 debts had not even been partially repaid. This figure was lower in urban (18.5%) than in rural households (26.9%). In the lowest consumption quintile, 30 per cent of households that had borrowed money still had not repaid any of it at the time of the survey. This figure was only 17.8 per cent of households in the richest quintile. However, no information is available on the ages of the loans. Borrowing could have taken place on the previous day or up to a year before the survey.

9.6 Future prospects

In about a third of households, as in 2009, respondents did not know how their economic situations were likely to change over the next 12 months. Of those who did express an opinion, 17.5 per cent took the view that things would improve. This is not a statistically significant improvement over the figure of 16.8 for 2009. A high proportion (51%) did not foresee any essential changes and about a third anticipated worsening conditions. There is no significant difference in the percentage of rural households (6.4%) and urban ones (7.9%) who thought that their economic situations would significantly worsen. Pessimistic views, however, are still markedly more apparent in the lower consumption quintiles (Table 9.13).

Table 9.13: Household opinions of their changing economic situations during the next 12 months by PAE consumption quintile in 2011 (n=2931^a).

	% of PAE consumption quintile					
Economic situation	1	2	3	4	5	Total
Will significantly worsen	13.7	7.2	5.6	6.5	3.2	7.1
Will worsen	31.2	30.5	27.0	21.6	13.7	24.3
Will not change essentially	44.4	49.5	50.3	53.3	56.5	51.0
Will improve	10.7	12.8	16.9	18.5	26.3	17.4
Will significantly improve	0.0	0.0	0.2	0.0	0.3	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

^a Excludes those who answered 'Do not know' or who refused to answer.

In the poorest quintile, households perceiving a high or very high risk that the household will not be able to satisfy even its minimum needs during the next 12 months have increased significantly from 62 per cent in 2009 to 72 per cent in 2011 (Table 9.14).

Table 9.14: Household opinions of the risk that the household will not be able to satisfy its minimum needs during the next 12 months by PAE consumption quintile in 2011 (n= 2962^a).

	% of PAE consumption quintile					
Extent of risk	1	2	3	4	5	Total
Very high	40.0	29.9	26.3	17.6	9.9	24.1
Higher than medium	31.5	29.2	27.2	21.9	14.6	24.4
Medium	21.6	29.8	30.8	35.9	29.3	29.5
Lower than medium	4.7	8.2	9.8	13.7	22.5	12.2
Our household will not suffer from this problem	2.2	2.8	6.0	10.9	23.7	9.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

^a Excludes those who answered 'Do not know' or who refused to answer.

The percentage of households seeing themselves as vulnerable has also increased in the second and third quintiles. In the richest two fifths of households, however, the percentage has actually fallen (Figure 9.2).

Figure 9.2: The percentage of households seeing a very high or higher than medium risk of being unable to satisfy its basic needs in the coming year (2009 and 2011)

