

## **Report spells out Georgia's development challenges**

The National Human Development Report for 2001-2002 focuses on poverty. In doing so, it gives the information that goes beyond the general picture of poverty in Georgia. The report defines and analyses the main determinants of poverty, poverty lines and their applications in the Georgian context.

The report deals with issues such as the increasing concern of Georgians with poverty and poverty-related issues, including the critical role of good governance for alleviating poverty. The issue of poverty has risen to the top of people's concern leaving behind other traditionally high-profile issues like conflicts with the separatist Georgian regions, says the report.

The report presents an analysis of the characteristics of poor and non-poor when different definitions of poverty are applied. The report focuses on the Poverty Reduction and Economic Growth Program (PREGP) for Georgia, which the Government is now finalizing.

The report, commissioned by the United Nations Development Programme, UNDP, is the seventh comprehensive study of human development in Georgia. Prepared by a team of national and international scholars, researchers and experts, the report provides the independent analysis of economic development of the country. The report features data, analyses and forecasts on the status of human development; political and economic conditions; labour markets; the health care system; education, etc. The report focuses on not just poverty of incomes but on poverty from a human development perspective - poverty as a denial of choices and opportunities. To do this, the authors have used not only existing research, but have also generated their own survey data, including breaking out this information by key categories such as regions of Georgia, and seasons of the year.

The report has derived three poverty lines called "NHDR Poverty Line", "NHDR Intermediate Poverty Line" and "NHDR Extreme Poverty Line" and together they encompass the range of poverty thresholds currently being applied in Georgia.

Termed by the Georgian President's Adviser for Economic Reforms Issues Mr. Temur Basilia as "a fundamental, in-depth document that explores the poverty in Georgia giving different measures of poverty", the report charts human development patterns and the economic and social challenges facing Georgia.

The report demonstrates that while, according to the human development index, Georgia ranks internationally at a medium level of development, more than half the population lives in poverty. Approximately half the population cannot achieve a level of consumption above the NHDR Poverty Line suffering serious constraints for the provision of food and non-food items. More than 25% of the

population of Georgia is eating less than the minimum requirements while more than 10% of citizens are just hungry and in a desperate situation, says the report. Pensioners are a highly vulnerable group. Except for a tiny proportion of the population, access to health care services is a difficult thing. According to the report, 3 out of 4 people in need of medical assistance cannot receive a complete treatment (visit a doctor and buy the required medicines).

According to the authors, a focus on human development need not mean neglecting economic growth. However, an expanding economy alone is not enough to bring about the necessary improvements for the have-nots, if reforms in the governance are not carried out and the present „rules of game” are not changed. Provision of good education and health services, a reliable legal system and effective labour markets can all be important contributors to economic growth.

UNDP Resident Representative Lance Clark said the report would contribute to poverty reduction efforts in Georgia, “through furthering our knowledge of poverty, of how best to measure it, and of how to help alleviate it”.

The report reinforces, there is no question that poverty reduction must be a top priority for Georgia. However, the effective poverty reduction in Georgia is a very challenging task. The report points out that to tackle poverty and promote economic growth Georgia will need considerable efforts that the Government, as well as the public, and international supporters of Georgia, can make in order to reach success.