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SOCIAL POLICY AND THE GLOBAL CRISIS: CONSEQUENCES AND RESPONSES

STREAM 14 : POST-SOCIALIST WELFARE SYSTEMS

Post-Soviet Georgia : the Rocky Path towards Modern Social Protection

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This communication is about the ups and downs of setting up a social protection system in Georgia. Whereas in the aftermath of the dismantling of the USSR, a shock therapy was not feasible from a political and economic point of view, the Rose Revolution and the perspective of Georgia “going West” have given an impetus to social reforms. President Saakachvili’s team gives priority to market mechanisms, with state intervention being limited to the poorest and old age pensioners, as a simple means of poverty reduction.

- I firstly argue that Georgia is undergoing an ultra liberal modernisation process, which has fostered inequality instead of giving way to decent employment and to redistribution. The August 2008 war and the international economic crisis have exacerbated this tendency.
- Secondly, whereas the decision makers lack long term perspectives, the social reforms are widely determined by the political agenda. Beneficiaries are mostly considered as voters, which is detrimental to the trust in public institutions and to social cohesion.
- Thirdly, this opportunistic approach does not allow for people’s appropriation of the “new” rules of the game. Therefore, they continue mobilising the personal ties which have proved effective in the past. However, the personalisation of ties — with petty bribes being widespread — contradicts market economy principles, putting at risk the system as a whole.
- Finally, in the current situation — i.e. strong concentration of power, elites disconnected from the people, weak civil society, limited freedom of speech, weak external guarantees for government commitments — institutional arrangements required for the success of the social reforms risk being hampered, with informal and formal rules evolving at increasingly different speeds.

The paper is based on published materials, quantitative data and in-depth interviews with Georgian and international stakeholders.