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THE PROBLEM OF DEEFENING POVERTY IN GEORGIA

***Summary.** Despite that Georgia has been trying to break the "vicious circle" of poverty and "escape" it for the last 30 years, the level of poverty in the country is still high. Every fifth person is poor in relative and absolute terms, and every third person is poor in terms of subjective poverty. This indicates the need to develop a new program to combat poverty in the country, which by 2030 will be focused on overcoming all forms of poverty in Georgia.*

***Key words:** poverty, depth of poverty, standard of living, revenues.*

The main problem of the modern world is poverty. The efforts of the governments of both developed and evolving economic systems are primarily aimed at tackling poverty, as the main goal of any country is to ensure the well-being of the population, in particular, a high standard of living and quality of life. Although at all stages of human development, the civilized part of the world tried to overcome poverty, it still remains the most important, yet unconquerable problem.

The fact that overcoming poverty is the main goal of modern world is confirmed by the declaration of The United Nation, signed by 193 countries. "Transforming Our World: A 2030 Agenda for Sustainable Development", the first 17 goals is to eradicate all forms of poverty [4]. The hopes of the future are somewhat dashed and the need for more efforts to tackle poverty is indicated by the

UN and World Bank forecast that a global goods crisis is expected in the 40s and 50s of the current century [3, p.12].

In characterizing the incomes received by the population (households), they use the analysis of different types of incomes received by them and its dynamics. As for income differentiation, it is accepted that the following three - absolute, relative and subjective concepts are used to measure poverty in society. The absolute concept is based on the compliance of the income and expenditure of the population with the subsistence minimum established by law in the country. The relative concept is based on matching the incomes and expenditures of the population with their median significance. The subjective concept is based on the widespread subjective opinion of the population about the wealth and poverty in the country [e.g. 2].

In Georgia, as well as in other post-Soviet, evolutionary economic countries, poverty has been a major problem for the last 30 years. Although at different times, with different perspectives, methods and rules, poverty alleviation measures have been declared and implemented, no substantial progress has been made yet, poverty levels and depths remain high, and population differentiation by income is essential.

Table 1

Poverty rates in Georgia [5]

#	Name the indicators	Years			
		2005	2010	2015	2019
1	Average monthly income per capita, GEL	92.1	181.4	290.2	336.1
2	Average monthly expenses per person, GEL	101.8	172.2	284.7	327.7
3	Average subsistence level per month, GEL (December)	87.1	132.5	143.9	172.5
4	Average monthly nominal salary, GEL	204.4	597.6	900.4	1129.5
5	Share of population below 60% of median consumption%	21.3	22.8	20.2	20.1
6	Percentage of population below the absolute poverty line%	35.4	37.3	21.6	19.5
7	Gini coefficient by total revenue	-	0.41	0.40	0.39
8	Unemployment rate	15.1	17.4	14.1	11.6

Although the average monthly income per capita in Georgia exceeded the average monthly expenditure in 2009, the difference is very small. In particular, the average monthly income for 2019 (336.1 GEL, about \$ 120) exceeded the average monthly expenditure by 8.4 GEL (327.7 GEL). According to both relative (20.1%) and absolute (19.5%) poverty rates, one in five people in Georgia lives below the poverty line. At the same time, the official subsistence level for absolute poverty, which is 172.5 GEL (approximately \$ 65) for 2019 and does not meet the requirements of civilized society. The Gini coefficient is also high. By 2020, the figure was set at 0.35. However, given the current situation, achieving this mark is already unrealistic. According to official statistics, the unemployment rate in Georgia has a positive trend and is decreasing from year to year. At the same time, the number of employees is decreasing. In particular, by 2019 this figure was 1 733.8 thousand people, and by 2019 it has been reduced to 1 690.2 thousand. according to official statistics in 2019, Out of 1 690.2 thousand people employed, only 1 130 000 are confirmed to have received income., while the salaries of 191 000 people are less than 100 GEL. Subjective poverty rates are even more negative. Unemployment, poverty and low incomes are considered to be the main problems in the country according to various polls. More than 30% of households feel poor by subjective estimates of poverty.

Thus, despite the fact that Georgia has been trying to "escape" poverty for the last 30 years, the level of poverty in the country is still high. This indicates the need to develop a new poverty alleviation program that addresses the mistakes and achievements of the past. It should focus on the sustainable development agenda of the world. In particular by 2030 to overcome all forms of poverty in the country.

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