

# How Do Georgian Children and Their Families Cope with the Impact of the Crisis: Results of the 2009 Welfare Monitoring Survey



# Background

- Sample size – 4848 households across Georgia (nationally representative)
- Conducted during May-July 2009
- Dimensions of well-being – incomes, consumption, housing, material deprivation, subjective poverty, access to social services, cash transfers and utilities
- Specific module for the coping strategies
- Consumption poverty thresholds – 89.7 GEL (official), 61.1 GEL (equivalent of 1.25 USD a day), 122.2 GEL (equivalent of 2.5 USD a day)
- Analysis conducted by York University

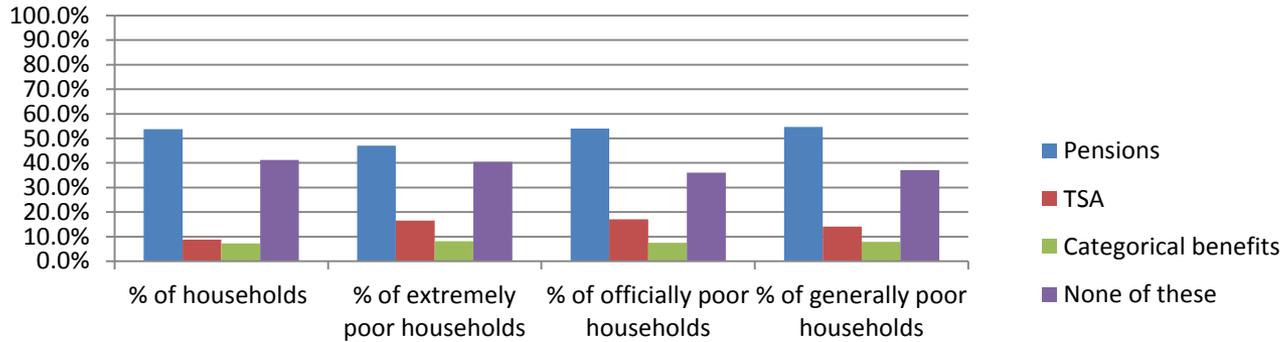
# Welfare profile

- Average monthly income – 322 GEL per hh, 139 GEL PAE
- Average monthly consumption – 442 GEL per hh, 190 GEL PAE
- Consumption poverty headcount  
extreme poverty - 9.9 per cent; extreme child poverty – 11.2 per cent  
official poverty – 25.7 per cent; official child poverty – 27.9 per cent  
general poverty – 44.8 per cent; general child poverty – 47.9 per cent
- Gini coefficient – 0.48 by incomes, 0.38 by consumption
- Housing deprivation – 27.6 per cent (hh)
- Material deprivation – 27.2 per cent (hh)
- Subjective poverty – 40.2 per cent (hh)
- Lack of access to water, sanitation and heating – 10 per cent (hh)

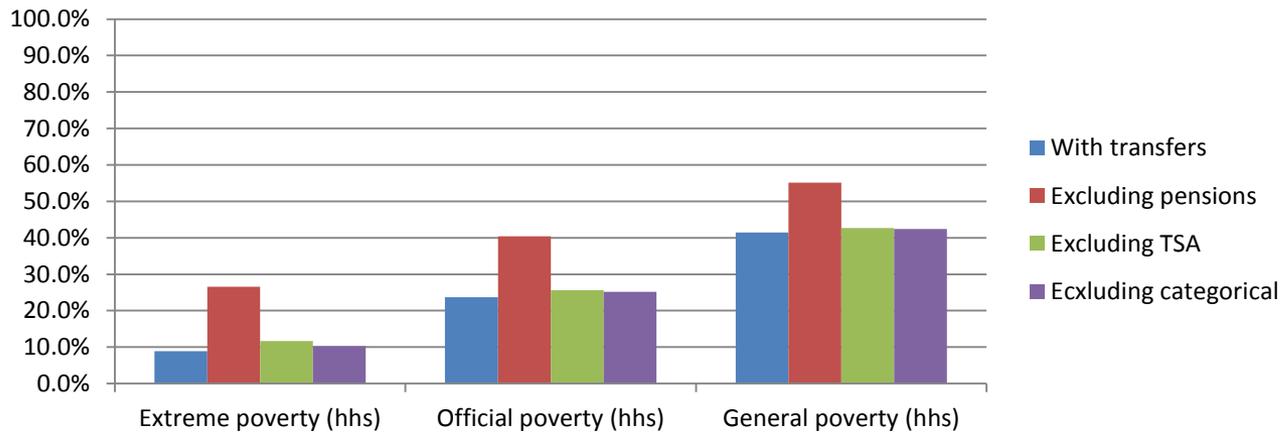
# Differences in living standards

- Average monthly incomes twice as high in urban areas (428 GEL) than in rural areas (212 GEL)
- Poorest region Mtskheta-Mtianeti has three times higher official poverty rate (37.1%) than the least poor Ajara (12.7%)
- HHs with three or more children have twice higher extreme poverty rates (16%) than those with no children (7.8%)
- HHs with at least one regular earner have twice lower official poverty rate (14%) than those without regular earner (30%)

# The impact of social transfers

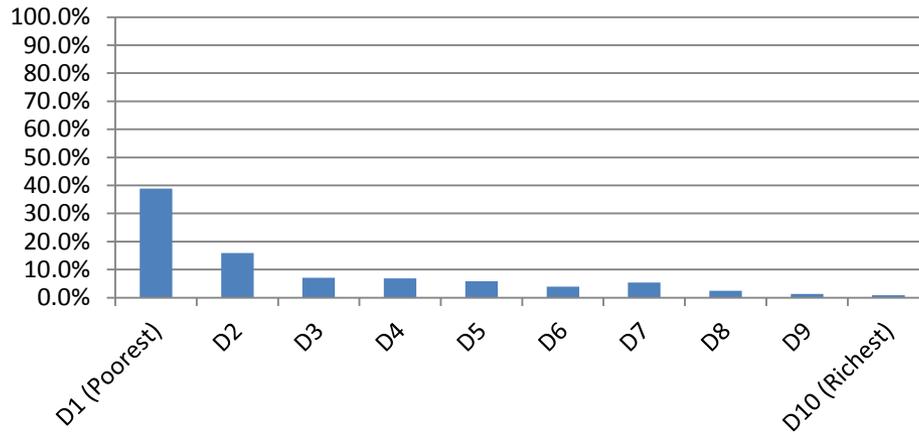


Coverage of social transfers

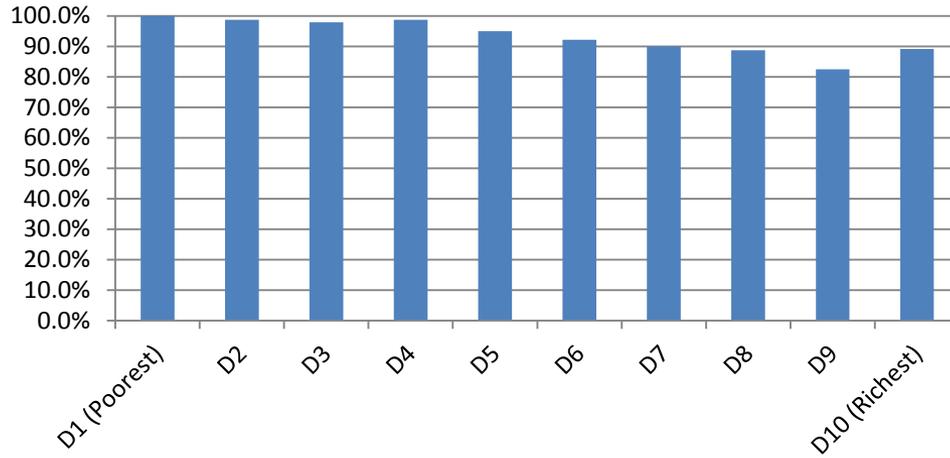


Poverty rates with and without social transfers

# Incidence of social transfers

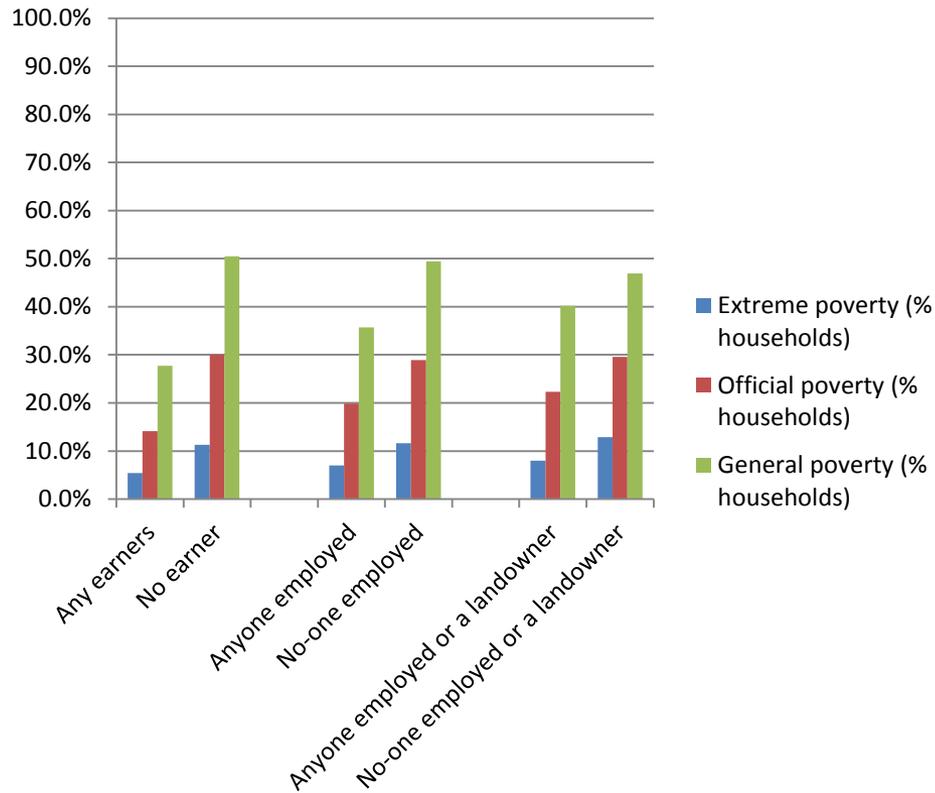


Incidence of TSA across consumption deciles



Incidence of pensions across pensioner deciles

# Employment



Employment halves the risk of extreme and official poverty

- However, work does not bring all hhs above the poverty line – 20 per cent of hhs that have at least one employed member are below the official poverty line

- 20 per cent of households have no employed member and do not own land

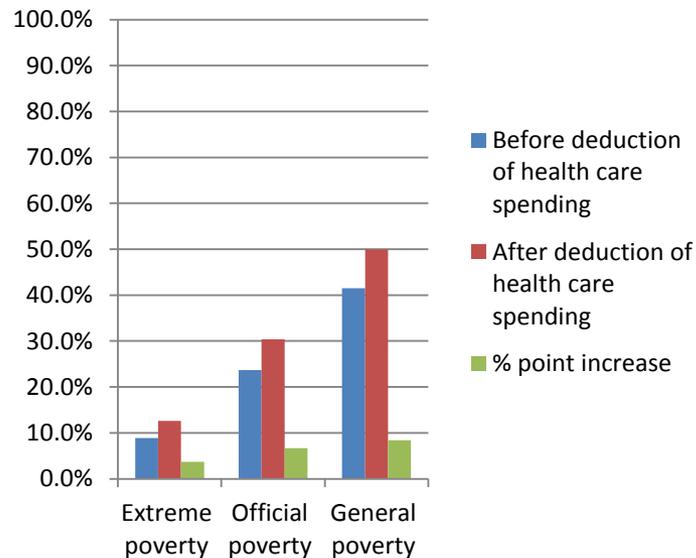
# Health expenditure

- Health expenditure (250 GEL PAE a year) accounts for 11 per cent of total expenditure
- Richest quintile spends 10 times more on health care than the poorest quintile (65 GEL vs. 593 GEL)
- In almost 60 per cent of all hhs in 2008-9 at least one person needed medical services or medicines which the hh could not afford to purchase
- 23.4 per cent of Georgia's population is covered by any kind of health insurance
- 20 per cent of the poorest quintile is covered by free health insurance

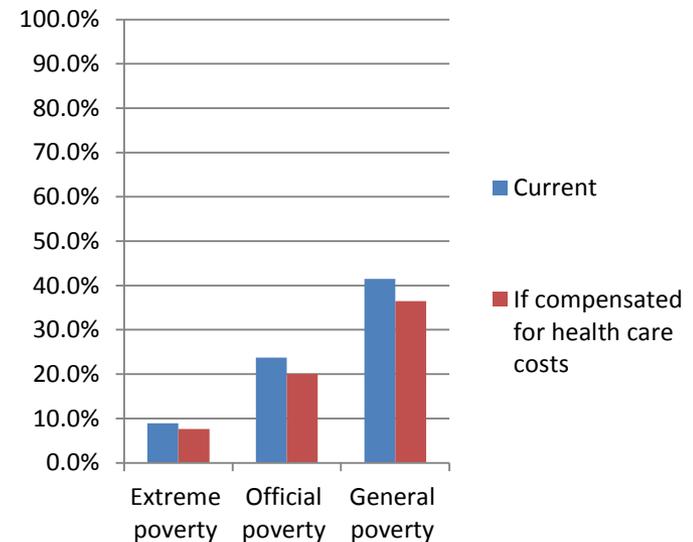
# Health Expenditure (Cont'd)

- Catastrophic health care costs - in 54 per cent of hhs it constitutes over 10 per cent of total expenditure. In 31 per cent of hhs, health expenditure accounts for more than 25 per cent of non-food expenditure

Poverty rates when health expenditure is deducted from total expenditure



Estimated effects of free health care on poverty rates



## Coping with the Crisis (Subjective Views)

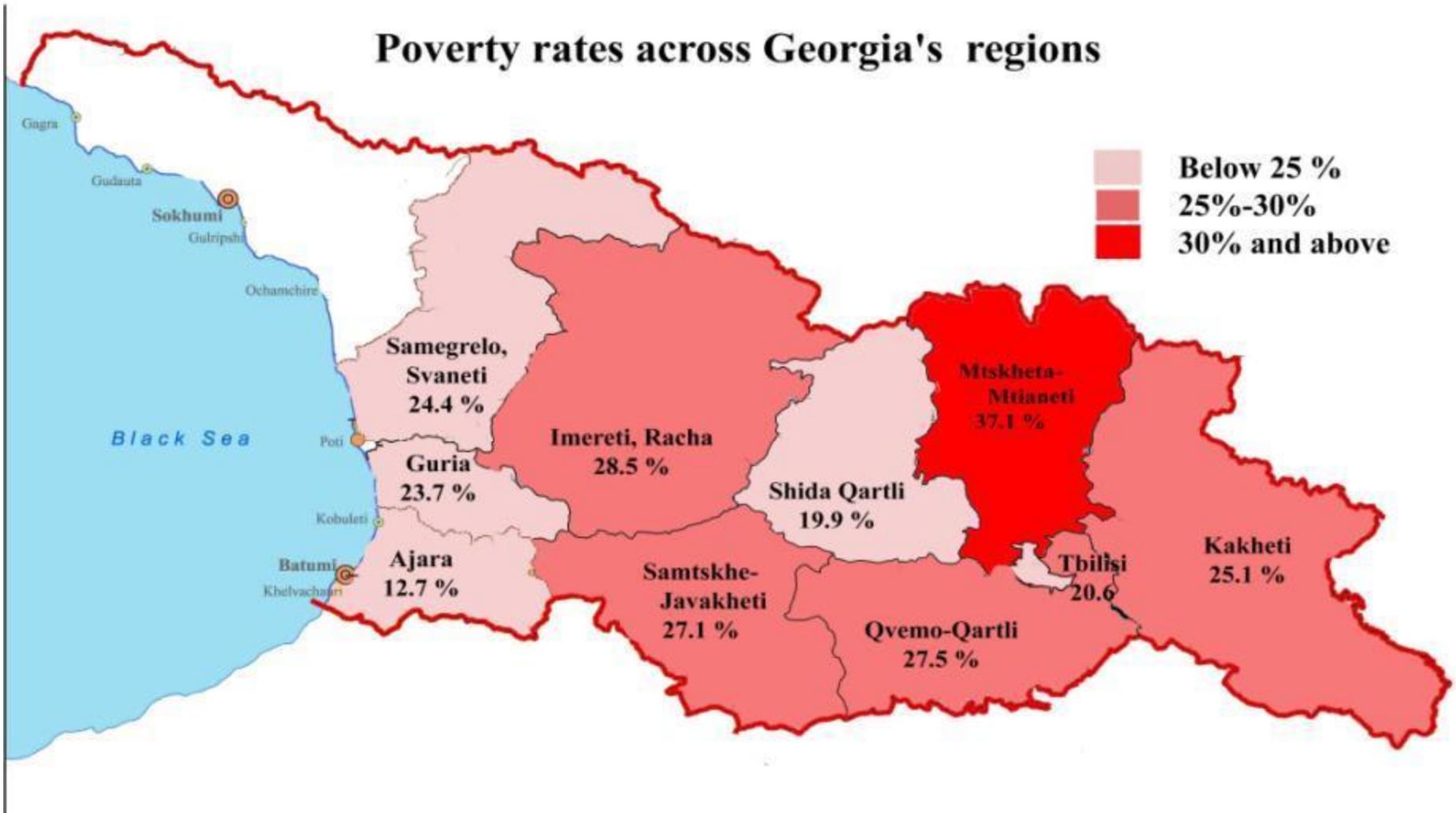
- Economic situation has worsened for 49.3 per cent of hhs
- Main reasons for worsened situation are – repaying debts (38%), decreased income and job loss (25.6%) and serious illness of hh member (17.5%)
- 62 per cent of affected hhs had no additional source of livelihood
- Main coping strategies – reducing food consumption (33.4%), buying cheaper food (41.2%), buying less (18.8%) and cheaper non-food items (15.7%), reducing visits to doctors (12%)
- In 2009 36 per cent of hhs borrowed money
- Debts not even partially repaid in over a quarter of hhs
- 51 per cent of the poorest hhs report high or very high risks of being unable to satisfy even their minimum needs next year

# What does it mean for children?

40 per cent of children are living in poor families who do not receive any social transfer. UNICEF encourages the exploration of:

- Increasing the coverage and improve targeting of TSA
- Increasing TSA for households with 3 or more children
- Considering universal benefits for all children
- Establishing comprehensive health care package for all children under 5
- Promoting the value of health insurance and increasing coverage of free health insurance
- Fostering (youth) employment; alternatives to subsistence farming in rural areas
- Increasing resources to poorer regions

## Annex: 1. Poverty map



## Annex 2: Definitions Used

- Housing deprivation – at least two major housing problems (leaking roof, damaged floor, broken windows, insufficient lights, etc)
- Material deprivation – lack of 5 out of 7 hh items (vacuum cleaner, car, washing machine, TV set, refrigerator, iron, cell phone)
- Subjective poverty – self-ranking on a scale 1-7