

SOCIAL POLICY AND MODERN GEORGIA

In terms of modern Georgia, when the country streams clearly towards European integration policy, the government claims to build unequivocally social state. However, the existing models of the social state themselves differ from each other. The country should determine, which of them to choose: Continental - European, Scandinavian or Anglo-Saxon-British. One thing is obvious, no matter which model will be chosen, the state will have to do a lot anyway.

Typically, a number of instruments are singled out, which are often considered as necessary conditions and main characteristics of the creation of a social state. In the article we consider each tool of social welfare, on the example of Georgia. These tools are: The democratic organization of the state government; The extensive economic potential of the state; Socially oriented structure of economics, which is reflected in existence of various forms of ownership; Government's social policy (or its apparent attempt), which aims at social justice; Strong civil society; Legal state and the strengthening of social state on the legal level.

As we have seen, recently Georgia has made a number of steps in regard to the implementation of the social welfare idea in life. In certain aspects positive changes are obvious: increase in the quality of democracy, the growth of funding in social programs and the health system, more or less strengthening of civil society; However, overall, in light of relatively low rate of economic growth, when the macroeconomic indicators of the state are not so satisfactory, the implementation of the idea of social state may be compromised.

In the preamble of the Constitution of Georgia is clearly stated the country's quest for the creation of the social and legal state, namely: "We, the citizens of Georgia, whose firm will is to establish a democratic social system, economic freedom, social and legal state, to secure human rights and freedom... declare this Constitution to the God and the nation."¹ Nevertheless, a few years ago, there was not so rare debate on the social state, neo-liberal policies, Georgia's movement to the European development or on so-called Singaporisation. On this background, in the modern political discourse of Georgia, there were often controversy among two different views of the country's development - among the neo-liberal economic policies and the social welfare state.

After the 2012 parliamentary elections, resulted by the victory of the Georgian Dream, similar discussions have recede into the background. On the public discourse level, in fact, there is no longer debatable neither the European model of the welfare state nor the social justice ideas.

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¹ Constitution of Georgia, adopted on August 24, 1995, <http://www.parliament.ge/ge/kanonmdebloba/constitution-of-georgia-68> (09.09.2014).

existing models of the social state themselves differ from each other. The country should determine, which of them to choose: Continental - European, Scandinavian or Anglo-Saxon-British. One thing is obvious, no matter which model will be chosen, the state will have to do a lot anyway.

Below we will try to briefly review the highlights of the modern Georgia's social policy and, in this regard, its development prospects.

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We will try to consider each tool of social welfare, on the example of Georgia.

1. *The democratic organization of the state government;* The humanity has changed many political systems during its existence, however, realization of welfare ideas became possible only in conditions of democracy. Even today, different types of political systems co-exist side by side in the world. Among the existed systems, the total number of democratic and transitional democratic countries has a small portion of states.

The index of democracy investigated by the authoritative international organization "Freedom House" is based on several key indicators, among them notable are as follows: the electoral process, the independence of the court and the media. According to the 2012 indicators, the indicator of democracy in Georgia was 4,82; in 2013 - 4,75, and in 2014 - 4,68.² Since 2005 till 2014 the highest indicator of growth of democracy in the region has Georgia, which is 0,28.³

In the process of establishment democratic values and democratic political culture, the crucial importance has the precedent of peaceful change of government, through democratic elections. In this regard, the 2012 parliamentary elections can be considered as a certain boundary turning point in the modern history of Georgia.

"The signals coming from this country (i.e. from Georgia, S.D.), which we see in recent years, are of positive nature"⁴ - said Sylvana Habdank-Kolaczowska, the project director of Nations in Transit at Freedom House.

2. *The extensive economic potential of the state.* Economic strength allows the accumulation of the economic surplus and then such distribution of this surplus that no/or less harm would get the owners; The stable macroeconomic policy is considered as the main prerequisite for the economic growth. "In case of choice between the fulfillment other social or economic goals and the stated policy of macroeconomic stability, preference will be given to the latter" - is said in the statement adopted by Georgian government in June 14, 2014.⁵

² In the seven-score system of "Freedom House", 1 indicates the highest progress, and 7 - the lowest.

³ "Freedom House": the quality of democracy has been improved in Georgia" <http://www.radiotavisupleba.ge/content/html> (14.07.2015).

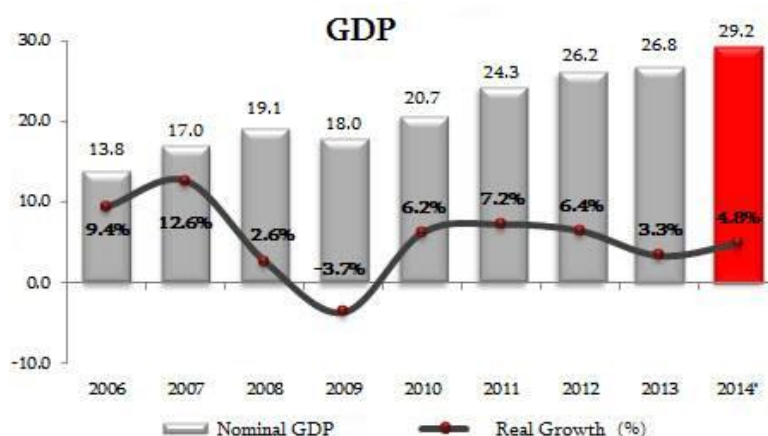
⁴ "Freedom House": the quality of democracy has been improved in Georgia" <http://www.radiotavisupleba.ge/content/html> (14.07.2015).

⁵ Resolution N400 of Georgian Government 2014 June 17. Tbilisi, about the statement of the socio-economic development strategy of Georgia "Georgia 2020", and some activities related to it, p. 13.

After the collapse of the Soviet Union, Georgia, like almost all former Soviet republics, had severe economic conditions. In the first several years of independence the GDP product has been reduced to about 70%. During Shevardnadze's period, despite the start of economic growth since 1995 (which, in turn, was due to the stable and relatively calm civil environment in the country), Georgia was not able to become high developed country in terms of economics. In the following years, as the result of liberal economics of M. Saakashvili's government, macroeconomic growth is clearly visible (see Table 1).⁶ However, the Russian-Georgian war in 2008, on the one hand, and the economic blockade of Russia against Georgia, had a very negative impact on economic growth.

From the given table is seen clearly the sharp economical drop in 2008-2009, however, since 2010 the growth indicators are still increasing.

Table 1.



3. Socially oriented structure of economics, which is reflected in existence of various forms of ownership; given clause means that the state should own and control certain areas of production and agriculture; After the collapse of the Soviet Union, the state-owned enterprises, buildings and agricultural lands step by step, through the privatization process, transferred to the private ownership. The privatization process in Georgia began since 1993, however, the key policy of M. Saakashvili's government, after the Rose Revolution in 2003, was the privatization at an accelerated pace. The transfer of state-owned enterprises to the private ownership has been considered as the main component of the economic development. The money raised from privatization reached the maximum in 2004-2005 years, when the most active phase of the alienation of the state property was carried out.

⁶ Ministry of Economy and Sustainable Development, macroeconomic indicators, <http://www.economy.ge/ge/economic-data/macro-economic-indicators> (10.04.2015).

"The enterprises (state enterprises), built by the state's shared participation, determine the stability of the various economic sectors and can facilitate the sustainable development of the country".⁷

By 2014, there are 344 state-owned enterprises in Georgia⁸, which is not a low number. However, important is not so much the number of this type of enterprises, as the quality of their benefits and high indicator of the economic production. According to the latest data of the Audit of state-owned enterprises affectivity, among the studied enterprises only 2 of them are in a good condition, while most of them, about 75%, are in the difficult financial conditions.⁹

Similar situation is with regard to agricultural lands. By 2012, 75% of agricultural lands were in the state-ownership (in contrast, much more arable lands are privatized - 55%), however, the coefficient from these lands is extremely low.

Thus, in spite of quite high number of the state enterprises and state agricultural lands, in fact, their handicap is low. For example, in Sweden, which is considered as one of the successful instance of social welfare, the number of state-owned enterprises is only 44, however, practically, all of them bring important economic benefits to the country.

4. *Government's social policy (or its apparent attempt), which aims at social justice.*

On the one hand, the provision of everyone by minimum common benefits, and on the other hand, the creation of social protection - are the crucial objectives on the way of social justice establishment.

The social security network was established in 2004 for the first time in Georgia. Two years later, in 2006, a targeted social assistance program launched, which was intended for socially vulnerable people. This program, despite a number of lacunas, to some extent contributed to the relative poverty rate reduction in years 2009-2011.

After the 2012 elections, new government's one of the main priorities was the improvement of the social assistance system and establishment of the universal health care system. "In the sphere of social Security, Georgian government's policy is to ensure people's decent living and working conditions by creation of the social security system, to reduce the social risks due to poverty and old age and to encourage people with disabilities and other vulnerable groups, to participate in the country's social and economic life"¹⁰ - is declared in the social-economic development strategy approved by the Georgian government. In this regard, quite effective steps have been taken: The relief to the population below the poverty line was doubled and the benefits for refugees were increased. On the other hand, in the history of the independence for the first time, since 2013, has been launched the universal health system. In

⁷ OECD; Comparative Report on Corporate Governance on State Owned Enterprises; 2006, p. 27.

⁸ The Audit of the effectivity of management of state-owned enterprises, performance audit report, 2015, p.6, <http://sao.ge/files/auditi/efeqtianobis-angarishi/2015/sacarmota-martva.pdf> (20.09. 2014).

⁹ ib., p. 12.

¹⁰ Resolution N400 of Georgian Government, 17 June, 2014, Tbilisi, about the statement of the socio-economic development strategy of Georgia "Georgia 2020", and some activities related to it, p. 50 http://www.economy.ge/uploads/kanonmdebloba/strategia_2020/saqartvelo_2020.pdf (10.09.2014).

2013-2014 years the main emphasis of the budget was made on growth of social and health programs. The budget of the Ministry of Health was grown to 2 milliard 700 million Lari in 2015,¹¹ from which 661 million was intended for the universal health care and social welfare programs.

Despite the increase of funding in the health sector, the fact is that the state funding for social sector in Georgia is still very limited. Consequently, the social background in the country is adequate. For example, in EU's 15 countries the average funding of social security is GDP's 21%, while in Georgia for 2006-2007, it was GDP's only 4.5%, and for 2013 - it has been increased up to 5.7%¹².

5. Strong civil society. One of the functions of active, functioning civil society is the monitoring of promises given by the government to the public. In terms of vibrant civil society, to some extent, the state becomes the tool of socially-oriented policy; The main segment of civil society in Georgia (like many Eastern European countries) are NGOs. By 2014, up to 9000 non-governmental organizations are registered, of which only few dozen are active. The main activities of the non-governmental organizations in Georgia since the 1990s are directed to defense of human rights, instructive and civic education, social welfare and health care problems. Also, non-governmental activities are visible in the process of observation and monitoring of elections, as well as, in general, in terms of the emphasis on the improvement of the electoral environment. In the recent period, has been increased the non-governmental activities on the issues of the environment and historic preservations.

In addition to the expansion of activities, since 2012 has been increased also the quality and frequency of communication between the civic society and the government. EU Association Agreement, which implies the increase of the role and functions of civic sector, as well as the increase of the mechanisms of the impact on the policy, presumably will increase the activities of non-governmental organizations and, therefore, this sector will become more reckoned power for the government.

6. Legal state and the strengthening of social state on the legal level. On the legislative level, in particular, in the Constitution of Georgia, is clearly and unequivocally declared as the idea of creation legal state, as well as the goals of building the social state.

Conclusion

In spite of the fact that the debates around the idea of social state still do not stop and as already mentions - different political powers criticize it from various positions, the modern law specialists, state theorists and sociologists agree that the unity of people organized as state has an obligation - to help its citizens, when they cannot manage it on their own. However, it should

¹¹ In 2015 budget allocations for the health care are 980 million more than the allocations for the same purposes of 2012 budget.

¹² National Statistics Office, GDP in 2013, p 3 http://geostat.ge/cms/site_images/_files/georgian/nad/pres-relizi_2013_GEO_daz.pdf (20.11.2014).

be noted, everybody agrees that each capable person, first of all, must be conscious of his own well-being.

As we have seen, recently Georgia has made a number of steps in regard to the implementation of the social welfare idea in life. In certain aspects positive changes are obvious: increase in the quality of democracy, the growth of funding in social programs and the health system, more or less strengthening of civil society; However, overall, in light of relatively low rate of economic growth, when the macroeconomic indicators of the state are not so satisfactory, the implementation of the idea of social state may be compromised.

Finally, the implementation of the social state idea in life does not belong only to economic or political events. As has often been noted, it is, at the same time, a moral process, which along with economic reforms and political will implies human dimensions as well.

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