Chapter 8 Socio-Economic Baseline

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8 SOCIO-ECONOMIC BASELINE

8.1 Introduction

8.1.1 Approach

This section presents information about the socio-economic conditions that are known or are likely to occur within the vicinity of the WREP-SR Project. The purpose of the baseline description is to:

- Document the current conditions and trends
- Identify and evaluate key issues
- Enable the assessment and evaluation of potential socio-economic impacts of the Project
- Assist in the definition of mitigation measures designed to minimise or eliminate adverse socio-economic impacts.

The data apply primarily to the Project-affected communities (PACs) in the vicinity of locations where WREP-SR activities will be implemented as it is at this local level that the majority of the impacts are expected to occur. PACs are defined as settlements within, or encroaching upon:

- 2km of the proposed centreline of the pipeline Right of Way (ROW)
- 300m of a proposed access road.

Although most of the data relates to the PACs, national-level data are presented for Georgia to provide useful context to enable:

- Impacts to be predicted, described and evaluated at these levels (as applicable)
- Comparison of socio-economic conditions. For example, to know the levels of poverty in a specific location is useful, but it is more useful to have information on other national or local areas showing whether these levels are higher or, indeed, lower with respect to other localities. This information is useful for identifying impact management actions (including enhancing benefits) as attention might focus particularly on adverse socio-economic impacts in the poorest areas.

To the extent possible, data have been obtained not only to describe the current situation, but also to enable trends to be identified. It should be noted that it was not possible to obtain all the desired data for all of the administrative levels of interest.

8.1.2 Data Gathering

Data were gathered through desk-based research, field surveys and a series of interviews with the leader of each PAC. Settlements outside these boundaries were not included as it was considered that they would not be subject to any impacts and to avoid raising any expectations that may arise from the act of data gathering itself.

Desk-based research (secondary data collection)

A desk-based study was undertaken using readily available statistics (e.g. demographic data on PACs), provided by the State Department of Statistics of Georgia on population aspects including gender and ethnicity.

Social surveys (primary data collection)

These surveys had two main components:

1. Interviews (using a pre-prepared semi-structured questionnaire) with the recognised leader of each PAC, focusing on the socio-economic aspects of that PAC. This approach relies on the knowledge of the PAC leader regarding not only data such as population level and existing infrastructure status, but also, his/her perception of trends and their key characteristics. PAC leaders were given advance notification of the types of information to be requested so that they had time for preparation or research prior to the interview.
2. A detailed visual survey of social receptors along the proposed access roads (for example, schools, hospitals, cemeteries).

The complete list of PACs is shown in Table 8-1, together with identification of the pipeline section or associated access road that triggered their inclusion as a PAC.

Table 8-1: Project Affected Communities (PACs)

Region/city	District/city	Territorial Organ	PACs	Nearest Section (or Access Road)
Tbilisi	Tbilisi	Gldani	Village Gldani	RR-001 & ARs
			Gldanula	RR-001 & ARs
			Avchala 2	RR-001 & ARs
Mtskheta-Mtianeti	Mtskheta	Tshvaritchamia	Mamkoda	RR-001 & ARs
Imereti	Sachkhere	Korbouli	Shomakheti	AR to PRS1
			Korbouli	AR to PRS1
	Chiatura	Mandaeti	Mandaeti	AR 223
			Tkemlovana	RR-004a
		Sveri	Sveri	RR-004a
		Nigozeti	Tskalshavi	AR to PRS1
			Usakhelo	AR to PRS1
			Zeda Beretisa	AR to PRS1
Guria	Lanchkhuti	Supsa	Khidmaghala	Supsa crossing
			Grigoleti	Supsa crossing
		Ghrmaghele	Tskaltsminda	Supsa crossing

8.2 National Context

8.2.1 Data Quality Issues

There are still some difficulties obtaining up-to-date, comprehensive official social and economic data in Georgia; also, the reliability of the data cannot always be depended upon. However, the situation is perceived to be rapidly improving. Georgia has experienced considerable socio-political and socio-economic upheaval since its independence from the former Soviet Union. The political and institutional changes undergone (including localised and militarised ethnic conflicts) have affected, adversely, the collection, analysis and collation of data into accessible formats. Data sets do exist on certain topics, but the data have not always been analysed. The last national census was undertaken in 2014 but as of February 2016 only preliminary results have been published. Data from the 2002 census has been used where more recent information is not yet available.

The following data sources were used:

- Consulting data presented on the website of the National Statistics Office of Georgia http://www.geostat.ge/index.php?lang=eng
- Obtaining and reviewing reports and similar documents prepared by international agencies such as those in the UN family (for example, UNDP) and the multi-lateral banks (such as the World Bank, European Bank for Reconstruction and Development)
- Obtaining and reviewing publicly available reports and similar documents prepared by the Government of Georgia
- Obtaining information from stakeholder consultation events and reconnaissance visits to the areas in which WREP actions will occur
- Undertaking semi-structured surveys of PAC–leaders.

8.2.2 National Background

Georgia is a small, strategically located country in the Caucasus. It has diverse terrain and abundant natural resources, such as water and mineral deposits. Georgia is ranked by the UN as a lower-middle-income country[1].

The Soviet Socialist Republic of Georgia was one of the most prosperous areas of the former Soviet Union. The political turmoil after independence had a catastrophic effect on Georgia's economy. The cumulative decline in real gross domestic product (GDP) is estimated at over 70% between 1990 and 1994, and by the end of 1996, the country's economy had shrunk to around one-third of its size in 1989.

The new government, installed after the Rose Revolution of 2003, initiated significant reforms to re-orient the economy toward privatisation, free markets and reduced regulation; while combating corruption and stabilising both the economy and the budget.

Georgia has a rich tradition in agriculture with fertile soil and favourable climatic conditions and in the latter part of the 20th century agriculture made a major contribution to GDP (32% in 1993). However, the collapse and privatisation of the two main kinds of state collective farms: *kolkhozes* and *sovkhozes,* and land distribution to the rural population resulted in allocations of very small and fragmented holdings not conducive to commercial agriculture, especially of field crops. This, together with the recent loss of key markets in the Russian Federation, has led to a reversion to mainly subsistence agriculture with agriculture now contributing just 9.3% to GDP in 2014. http://www.geostat.ge, accessed February 2016.

8.2.3 Security Overview

The Russian–Georgian conflict in August 2008 led to the displacement of around 158,000 people. Russian troops have remained stationed in Abkhazia and South Ossetia since the end of hostilities. Security in areas that directly border the South Ossetian conflict zone (Kaspi, Gori, Kareli, Khashuri and Sachkhere municipalities) has stabilised, but there are still security concerns and a latent potential for localised expressions of the underlying conflict to occur.

None of the WREP-SR Project is close to the conflict zone.

8.2.4 National Economy

One of the recent notable successes of the Georgian economy has been the strong growth in GDP over most of the past decade, apart from the years 2008-9, when the war with the Russian Federation, and its aftermath, led to negative GDP growth in 2009. However, GDP

[1] See World Bank: http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Lower_middle_income. According to the World Bank, lower-middle-income economies range from $1,046 to $4,125)

growth recovered substantially in 2010, to 6.4% (estimate) and then continued at a similar rate between 2011 and 2014, ranging from a high of 7.2% in 2011, to a low of 3.4% in 2013. GDP growth rate in 2014, the most recent year for which data is published, was 4.6%. GDP *per capita* has followed the GDP trend closely and was at $3,670 in 2014, up from about $1,000 in 2010 (Geostat website: http://www.geostat.ge/index.php?action=0&lang=eng).

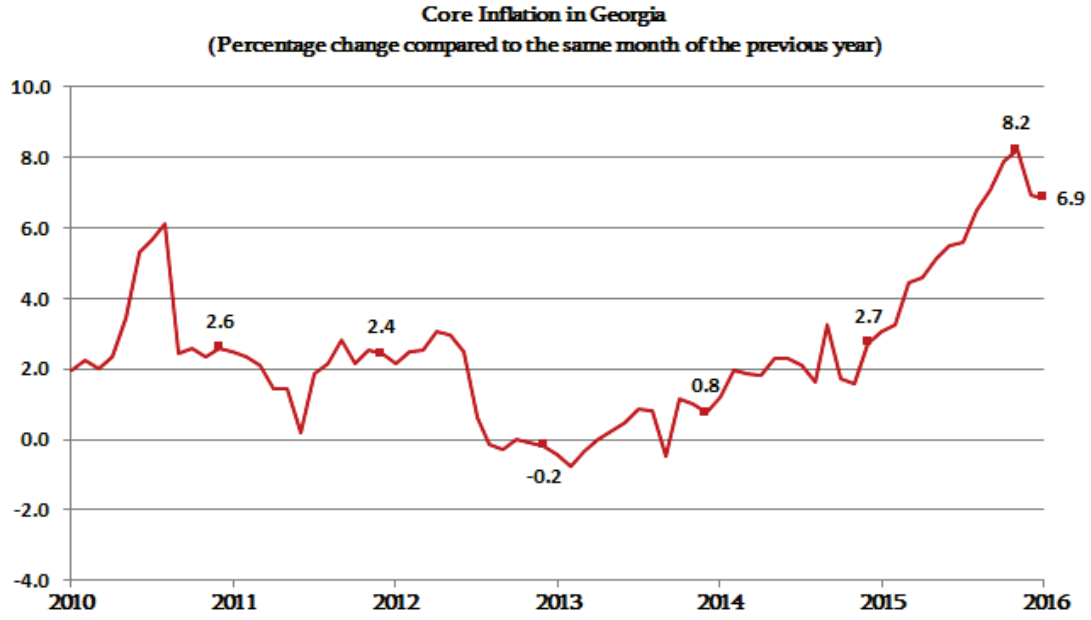
Key sectoral contributions to GDP and employment are listed in Table 8-2. The number of workers per sector closely reflects the relative GDP contributions with the exception of agriculture. This is probably because much of the income from agriculture is derived from self-employed farmers for who food production is a second 'job'.

Table 8-2: Key Sectoral Contributions to GDP, 2014

Sector	% GDP Contribution	Number of workers by sector
Trade	17.5	21.9%
Industry	16.9	20.0%
Transport and communication	10.4	10.3%
Public administration	9.9	8.6%
Agriculture	9.3	2.0%
Construction	7	11.7%
Health and social work	6	10.2%
Real estate	6	10.1%
Other	16.9	5.3%

National Statistics Office of Georgia (Geostat), 2015

Inflation has varied quite considerably over the past ten years, with sharp increases and falls over relatively short time periods, due in part to the severe shocks experienced by the economy. The core inflation rate (i.e. excluding food and non-alcoholic beverages, energy, regulated tariffs and transport) is shown in Figure 8-1.



National Statistics Office of Georgia (Geostat), 2016

Figure 8-1: Core inflation rate 2010 - 2016

The variation in inflation has caused significant problems to those on relatively fixed incomes (with little opportunity to increase them) such as pensioners, those dependent on remittances from abroad and those on low wages. Essentially their incomes have not kept pace with inflation resulting in a continuing erosion of their purchasing power and standard of living/quality of life. Rural residents in the main have been disproportionately affected by inflation, despite the buffer provided by high levels of agricultural self-sufficiency.

8.2.5 Transport Sector

The transport sub-sector (part of the service sector) is one of fastest growing in the Georgian economy. Transport, storage and communications have substantially increased their contribution to total output, from 4.6% of GDP in 1996 to 10.4% in 2014. This increase is due to wider economic growth in the Caucuses and the favourable 'hub' location enjoyed by Georgia. Roads are the preferred mode for the movement of people and non-oil freight (World Bank, 2008). Pipelines are the most significant transport modes for oil and gas.

The World Bank's report 'Rural Infrastructure in Georgia' (World Bank, 2006) noted that the road traffic fatality rate in Georgia of 13 per 10,000 vehicles in 2006 was significantly higher than in most Eastern European countries, and much higher than 2 per 10,000 vehicles which is the approximate rate in more EU countries. Traffic deaths were increasing at 16% per year and injuries by 28% per year. Besides emotional pain, traffic accidents have direct impact on a country's economic growth. The World Bank's working paper 'Road Safety in Individual ECA Countries' (World Bank, 1999) suggested that the social and economic costs of road traffic accidents for Georgia were approximately 1.1% of GDP. This figure is unlikely to have reduced in recent years given the growth in car ownership, even though there have been significant road improvements recently.

The east–west highway is the main arterial road across Georgia and will provide access to the pipeline works areas. It is currently being upgraded and additional dual-carriageway sections between RR-001 and RR-004a are under construction.

Outside the larger settlements, most of the roads in most of the PACs are not surfaced and in many cases are in poor condition. Potholes develop quickly, particularly during periods of heavy rainfall, and pavements are poorly defined or non-existent. Poor roads remain a key issue for many PACs (see PAC descriptions below and Figure 8-11).

8.2.6 Demographic Characteristics

The estimated population of Georgia in 2015 was approximately 3.7 million. This figure is derived from the 2014 census and is much lower than previous estimates (see Table 8-3).Some of the reduction is likely to result from people seeking work outside Georgia, but it is also likely to reflect inaccuracies in the population estimates made since the 2002 census.

Table 8-3: Population in Urban and Rural Areas, 2009–2015 (thousands)

Parameters	Years						
	2009	2010	2011	2012	2013	2014	2015
Population at beginning of the year	4 385.4	4 436.4	4 469.2	4 497.6	4 483.8	4 490.5	3 729.5
Urban	2 309.1	2 350.5	2 371.3	2 391.7	2 410.8	2 411.7	2 140.4
Rural	2 076.3	2 085.9	2 097.9	2 105.9	2 073.0	2 078.8	1 589.1

National Statistics Office of Georgia, 2016

The share of rural population, compared with the total population has steadily decreased from 47.8% in 2005 to 42.6% in 2015. This probably reflects the scale of continuing out-migration to cities and overseas

Different municipalities have experienced very different levels of population change over the last 10 years (Table 8-4). Tbilisi has experienced a 3.6% increase whereas the other regions where the WREP-SR Project is located have experienced decreases ranging from 18.5% in Guira to 23% in Mtskheta-Mtianeti.

Table 8-4: Population for WREP-SRP Regions and Municipalities

	Population in thousands by year		
	2005	2015	% change
GEORGIA	**4,321.5**	**3729.5**	-13.7
Tbilisi City	**1,079.7**	**1118.3**	3.6
Guria Region	**138.7**	**113.1**	-18.5
Lanchkhuti Municipality	39.0	31.4	-19.5
Imereti Region	**689.0**	**535.7**	-22.2
Sachkhere Municipality	46.2	37.9	-18.0
Chiatura Municipality	55.2	39.8	-27.9
Mtskheta-Mtianeti Region	**122.5**	**94.3**	-23.0
Mtskheta Municipality	64.2	55.7	-13.2

National Statistics Office of Georgia, 2016

Within this population there are significantly more women than men in all age groups over 35 years, particularly in the oldest:

- 35 to 39 years: 51% of the population is female
- 65 to 69 years: 27% of the population is female
- 85 years and over: 71% of the population is female.

Information about family size, based on the 2014 census data, has not yet been published. However, Sumbadze (2008) reported that, usually, families consist of four persons (23.6%). Five-person families comprised 19.2% of households and 7.1% of families had six or more members. Therefore, ~50% of households are likely to have 4 or more members.

8.2.7 Ethnicity/Nationality

The 2002 census shows a national ethnicity/nationality breakdown as follows: Georgian 83.8%, Azeri 6.5%, Armenian 5.7%, Russian 1.5%, other 2.5% (CIA, 2016[2]). Ethnic/national groups are not evenly distributed throughout the population. Instead, they tend to occur in ethnically homogenous communities (for example, at national level, in areas such as Abkhazia and at local level in villages or clusters of villages) which help preservation of cultural traditions and languages. Despite this dominant tendency, there are many mixed communities, but where the majority of the population is Georgian. Where members of ethnic/national minorities marry Georgians, it is believed that they tend to integrate into the household and the wider community.

8.2.8 Incomes and Poverty

Average household monthly incomes have risen in the past 8 years from 320.4 GEL in 2004 to 983.9 GEL in 2014. Average individual monthly incomes have also increased in similar way as follows: 84.7 GEL in 2004 to 273.1 GEL in 2014. There are significant differences in household incomes between urban and rural areas (see Table 8-5).

[2] https://www.cia.gov/library/publications/the-world-factbook/geos/gg.html

Table 8-5: Distribution of Average Monthly Incomes in GEL per Household, 2006–2014

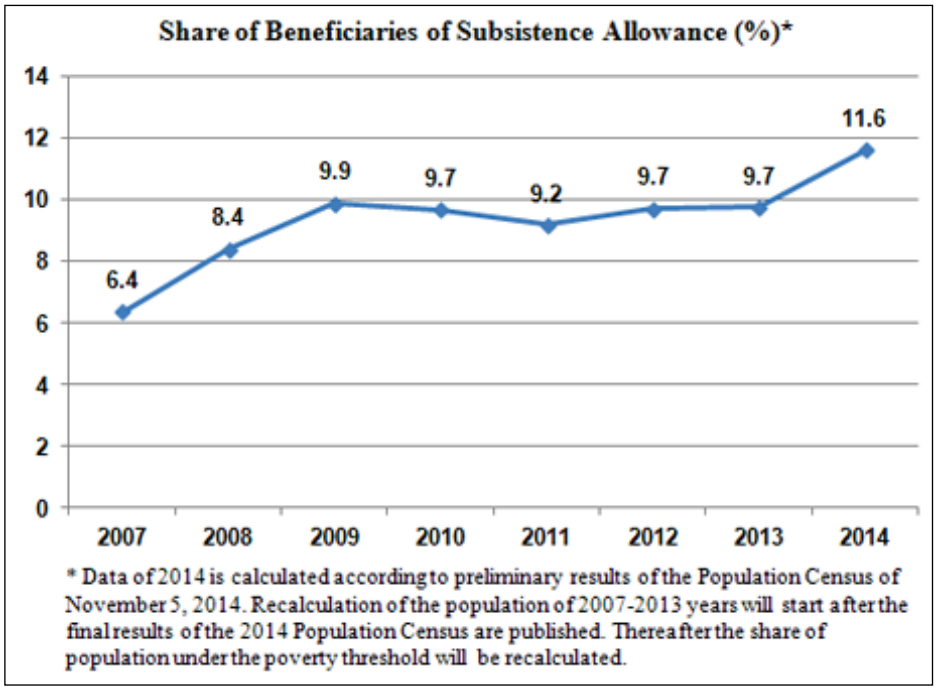
Location	Year				
	2006	2008	2010	2012	2014
Urban	386.4	603.4	733.8	854.1	1091.8
Rural	384.2	477	568.1	723.2	877.2

Both sets of incomes have increased over the period 2006-14, but urban incomes have increased faster. At the same time rural incomes have declined significantly in relation to urban incomes, from almost parity (1:1) in 2006 to 0.80:1 in 2014, Rural populations are considered to rely significantly more on non-cash incomes and pensions and other social payments than do urban dwellers. However, urban populations have significantly higher income contributions from remittances from abroad than do rural dwellers although the differential is narrowing from a ratio of 3:1 to 2:1 (urban: rural) over the 2006-14 period. This probably reflects increased out-migration from rural areas in recent years.

Estimates of poverty vary between sources and indices. The latest figures from the World Bank show a general decrease in the percentage of people living on less than $1.90 a day as well as those living on less than $3.10. The poverty headcount ratio at $1.90 a day[3] decreased from 17.8% in 2011 to 11.5% in 2013. Similarly, the poverty headcount ratio at $3.10 a day[4] decreased from 34.6% during the 2006-2010 period to 28.6% during the 2011-2015 period.

However, current government figures provide a different perspective in terms of absolute numbers in poverty, but confirm a trend of increasing numbers in poverty. Geostat (2016) data show that the percentage of the population under the poverty threshold increased from 6.4% to 11.6 % over the period 2006–2014 (Figure 8-2). It is important to note the caveat under the figure as the apparent increase in poverty in 2014 is at least partially due to the revised population estimate resulting from the 2014 census. This percentage is based on the proportion of people in receipt of the government's subsistence allowance paid when income is below the officially determined subsistence minimum[5]. Qualifying for this allowance means that a person or household is deemed to fall below the poverty threshold. The subsistence minimum for a working age male was 164.2 GEL in January 2016 (it changes monthly, usually a small increase taking account of inflation). For a five-member family the subsistence minimum was 323.7 GEL in January 2016.

3 Poverty headcount ratio at $1.90 a day is the percentage of the population living on less than $1.90 a day at 2011 international prices.
4 Poverty headcount ratio at $3.10 a day is the percentage of the population living on less than $3.10 a day at 2011 international prices.
5 Since 2004, Geostat has been calculating subsistence minimum indicators based on the minimum food basket defined and established according to the Decree N 111/n of 2003 May 8 of the Minister of Labour, Health and Social Affairs on "*Norms of determining the composition of minimum food basket for subsistence minimum regarding food substance and energy for physiology demand".*



National Statistics Office of Georgia, 2016

Figure 8-2: Variation in Registered Poverty 2007-2014

8.2.9 Employment and Livelihoods

Official statistics show unemployment rising from 12.6% to 16.9% during the 2004-2009 period and decreasing from 16.3% to 12.4% during the 2010-2014 period (Geostat, 2016). However, the number of people who classify themselves as 'unemployed' is usually closer to 30%. One of the main reasons for this discrepancy lies in the fact that official statistics (and internationally accepted definitions used to collate and analyse statistics) consider subsistence agriculture as employment, but many people who work in such agriculture do not. Also, the official unemployment rate conceals much under-employment (United Nations et al., 2008) meaning that many who are self-employed in agriculture could do other income-generating work, but cannot find it.

Unemployment figures corroborate employment figures since there has been an increase in the number of employed period from 1,664,200 to 1,745,200 during the 2010-2014 period. The economically active population has also increased from 1,944,900 to 1,991,100 over the same period. Unemployment affects the young disproportionately, with possibly 30.8% of people aged 15–24 being unemployed with women experiencing lower levels than men (10.5% against 14%) (2014 figures, ILOSTAT, 2015)[6].

8.2.10 Gender

According to the latest figures, more men (66.6%) than women (51.1%) were employed[7] in 2014. Likewise, women earned significantly less than men (on average ~35% less). The average monthly wage for men and women was 980 GEL and 617.9 GEL respectively in 2014. In 2014, with the exception of the sector "electricity, gas and water supply", this discrepancy in terms of wages between men and women was true for all sectors (Table 8-6). However, from

6

http://www.ilo.org/ilostat/faces/home/statisticaldata/ContryProfileId?_afrLoop=24698780226484#%40%3F_afrLoop%3D24698780226484%26_adf.ctrl-state%3Dw1ud4wrlu_171

7 http://www.geostat.ge/index.php?action=0&lang=eng

this table, it can be seen the gaps in average earnings between men and women varies between sectors. In 2014, the gap was at its lowest for sectors such as education, health and social work (that typically tend to have more women than men), but also for less common sectors such as agriculture, hunting and forestry and mining and quarrying.

Table 8-6: Average Monthly Incomes for Men and Women in Selected Years, 2012–2015

4. Average monthly nominal salary of employees by economic activity and sex

GEL

	2012			2013			2014		
	Total	of which:		Total	of which:		Total	of which:	
		Female	Male		Female	Male		Female	Male
Total	**712.5**	**517.9**	**859.6**	**773.1**	**585.0**	**920.3**	**818.0**	**617.9**	**980.0**
Agriculture, hunting and forestry	424.6	375.7	438.7	495.0	399.7	517.1	504.3	425.8	526.9
Fishing	388.9	154.0	414.2	587.1	339.0	609.1	503.3	340.5	528.6
Mining and quarrying	874.5	574.7	910.5	893.1	654.2	923.1	902.8	812.2	913.9
Manufacturing	623.0	438.5	706.0	683.0	501.9	772.2	714.0	508.2	818.7
Production and distribution of electricity, gas and water	919.9	892.7	926.0	967.6	995.0	961.3	1039.1	1069.6	1032.3
Construction	890.8	611.5	908.3	868.2	661.7	884.3	942.8	725.3	961.0
Wholesale and retail trade; repair of motor vehicles and personal and household goods	650.0	478.7	791.1	692.5	519.5	830.6	702.1	517.2	862.4
Hotels and restaurants	397.5	342.2	497.9	437.1	366.6	545.5	477.5	378.3	652.6
Transport and communication	943.4	759.1	1002.6	1058.6	798.4	1145.5	1074.7	860.7	1145.0
Financial intermediation	1402.3	1153.8	1777.2	1505.8	1170.4	2003.5	1590.3	1167.9	2218.0
Real estate, renting and business activities	843.5	655.4	929.3	848.2	766.4	886.7	911.2	756.8	987.5
Public administration	1031.2	944.2	1062.6	1152.1	1039.9	1193.6	1232.2	1153.1	1262.2
Education	355.1	331.7	434.4	422.9	400.2	498.9	456.7	430.1	550.0
Health and social work	599.5	515.3	796.1	667.9	577.6	888.0	741.8	651.7	975.4
Other community, social and personal service activities	602.1	481.2	713.6	680.8	561.5	795.3	687.2	576.0	789.8

National Statistics Office of Georgia, 2016

Women appear to have more difficulty finding employment, earn less, and have to absorb through their unpaid labour, reductions in access to social services such as childcare. Gender inequality – in economic terms – is considerably greater in rural areas and in small towns compared to urban areas. Elderly women are increasingly more likely to live alone as they generally outlive men; Sumbadze (2008) estimated that such elderly women constitute 1.5% of all households. Women also outnumber men in the informal sector where they are employed as petty traders, housekeepers and nannies. Women in this group face considerable economic insecurity and are more vulnerable to falling into poverty than men.

8.2.11 Vulnerable Groups

Pensioners, the disabled, and Internally Displaced People (IDPs) are included here as constituting key vulnerable groups. Pension age is 65 for men and 60 for women. For 2014, the Georgian government estimated that there were 866,200 pensioners in Georgia (23.22% of the population assuming a population of 3.7 million)[8]. This is relatively high, probably resulting from the falling birth rate following the break-up of the Soviet Union (now reversed), and continuing out-migration of young adults.

According to information provided to the Institute of Development of Freedom of Information by the Ministry of Labour, Health and Social Affairs, 118,651 persons with disabilities were registered as recipients of state social assistance in March, 2015. This constitutes only 3

[8] http://www.geostat.ge/index.php?action=page&p_id=200&lang=eng

percent of the total population but WHO estimates the global disability prevalence of around 10%[9]. The figures exclude people with disabilities who are working and/or not receiving sate social assistance and are therefore almost certainly an underestimate. As of June 2015, UNHCR reported that there were 265,267 IDPs in Georgia which is in the same range as the 2007 figure (222,100) and considerably lower than after the 2008 August (359,716 in 2011). The majority of IDPs live in areas near the conflict zones – specifically, in Gori municipality as well as in Samegrelo and Imereti Provinces and in Tbilisi. IDPs have experienced a higher rate of unemployment; while in municipalities densely populated by IDPs, lower indicators of economic activity have been observed (Government of Georgia, 2007).

8.3 PAC Socio-economic Characteristics

8.3.1 Introduction and Summary

This account is based entirely on the results of the 2016 PAC leader surveys. Individual profiles of each PAC (15 in total) prepared during the survey are provided in the Environmental and Social Baseline Report, Section 8).

All the PACs are considered as rural with the exception of Gldanula and Avchala Two that are located on the outskirts of Tbilisi. The population of the PACs ranges from 190 (Mamkoda) to 6463 (Korbouli) inhabitants (Figure 8-3). Table 8-1 shows the administrative divisions (region, district/city and territorial organ) to which the PACs belong.

With the exception of the Tbilisi PACs, all PACs are characterized by a large proportion of self-employed people, working predominantly in the agricultural sector, either as farmers or livestock breeders. The majority of the residents of the Tbilisi PACs work as employees in a non-agricultural sector, either for the government or a private company. Households of all PACs also tend to rely for their incomes on various sources such as pensions, state benefits, and remittances.

8.3.2 Population and Housing

Figure 8-3 shows the population for the PACs except for Gldanula and Avchala Two for which figures were not provided. The mean average for the PACs is 1,565 inhabitants whereas the median average is 950 inhabitants. This high discrepancy between these two values is due to Korbouli which is noticeably the most populated PAC (6,463 inhabitants). The least populated PACs are Mamkoda (190) and Grigoleti (250).

With the exception of Zeda Beretisa, Usakhelo, Tskalshavi for which the PAC leaders reported an increase in birth rate, there is a general decreasing birth rate across all PACs. Information on birth rate for the Tbilisi PACs is not available.

Outmigration is common except for the Tbilisi PACs. According to their leaders, the latter are characterised by an influx of people coming from other parts of Tbilisi. If the high number of new constructions reported for both Gldani and Gldanula are an evidence of it, it is probably the availability of land and lower cost of living (in comparison to other parts of Tbilisi) which contribute to people migrating to these PACs.

[9] https://idfi.ge/en/statistics-of-persons-with-disabilities

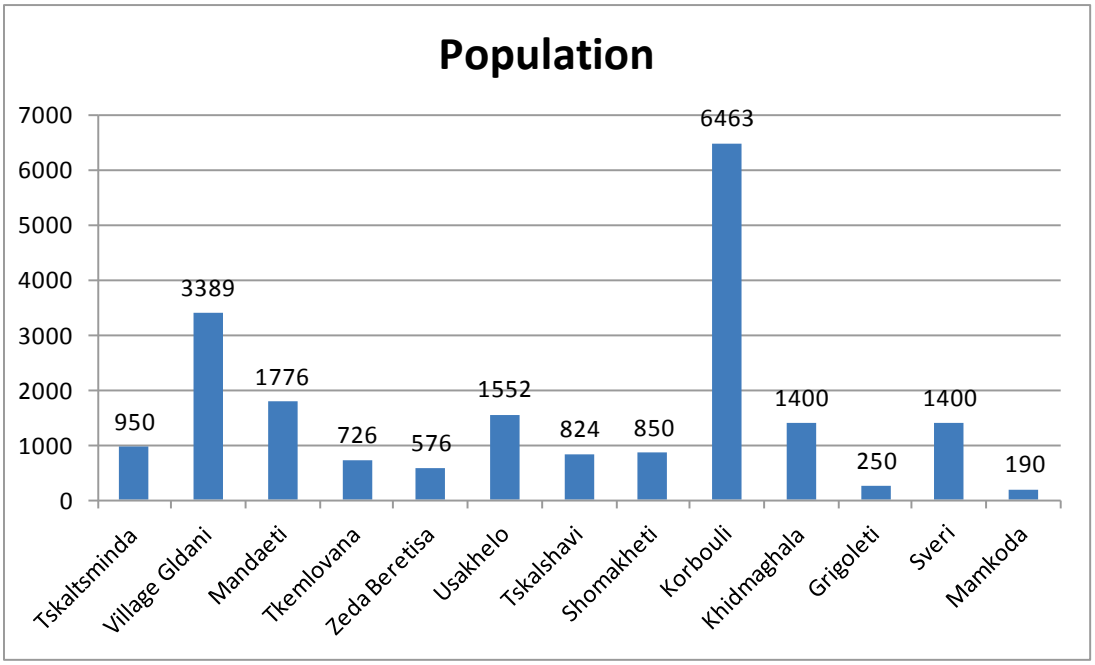


Figure 8-3: Population, 2016

From the other PACs, people tend to migrate to Tbilisi or other countries. Batumi is also considered as a migration destination for Khidmaghala, Grigoleti and Tskaltsminda. Outmigration is most noticeable in Mandaeti and Tkemlovana for which it was reported that about 40% of the population have left the village over the last five years. A high level of unemployment was cited as the main reasons for individuals to migrate. Evidence of out-migration is shown through the high number of unoccupied houses in the PACs. Some 300 houses in Korbouli and 100 in Sveri were reported unoccupied. Similarly, some 20% of the houses were reported unoccupied in Zeda Beretisa, Usakhelo and Tskalshavi.

According to PAC leaders, the housing condition in the PACs is average or poor and most houses are need of repair. Homes are mostly privately owned.

The most common language spoken in the PACs is Georgian. However, Russian is also spoken by the residents of Khidmaghala, Grigoleti and Sveri.

8.3.3 Livelihoods and Natural Resource Use

With the exception of the Tbilisi PACs, the residents of all the PACs are engaged in multiple livelihood strategies. Therefore, they tend to derive their incomes from a mix of sources such as subsistence agriculture (mostly livestock breeding, but also farming), salaries, state pensions, social allowances and remittances. However, with more than 50% of the population of all the PACs engaged in farming/animal husbandry activities, subsistence agriculture is the main livelihood strategy and provides the main source of food and income for all inhabitants.

As shown in Figure 8-4, for 40% of the PACs, all the residents (100%) are engaged in some forms of agriculture. This is in stark contrast to the Tbilisi PACs where few, if any, people are involved with agriculture.

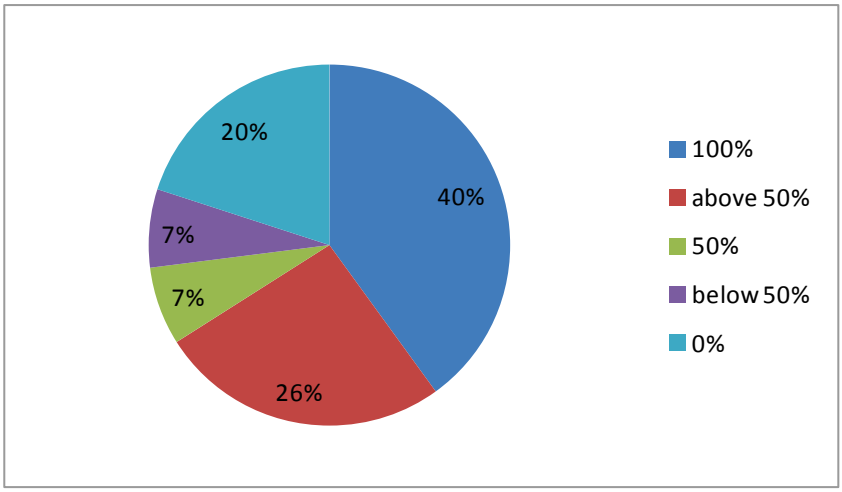


Figure 8-4: Proportion of the Population Involved in Farming, 2016

Subsistence agriculture is very important for the villages of Shomakheti, Korbouli, Khidmaghala, Grigoleti and Sveri since 80-100% of their population use the crops they produce.

In addition to producing crops, collecting wood from the forest is a common practice for most PACs. It was reported that all the residents of Zeda Beretisa, Usakhelo and Tskalshavi collect wood as a source of heating. Some of the residents of Shomakheti, Korbouli and Mamkoda also practice this activity. The residents of Gldanula and Avchala Two used to collect wood as well, but have stopped since it is now forbidden by law.

Mushroom picking concerns only a small percentage of the residents of Mandaeti, Tkemlovana and Mamkoda.

8.3.4 Employment

Some 70% of all the residents of the PACs are self-employed, primarily working as farmers or livestock breeders. The only exceptions are the Tbilisi PACs where it is reported that none of the residents are engaged in agricultural activities. Table 8-7 shows the percentage of self-employed workers according to the various PACs. From this table, it can be seen that the highest proportion of self-employed workers are in Sveri (100%), Shomakheti (80%) and Korbouli (80%).

Table 8-7: Percentage of Self-employed Workers, 2016

PAC	Percentage of self-employed workers
Mamkoda	50
Tskaltsminda	60
Mandaeti	60
Tkemlovana	60
Khidmaghala	60
Grigoleti	60
Zeda Beretisa	73
Usakhelo	73
Tskalshavi	73
Shomakheti	80

PAC	Percentage of self-employed workers
Korbouli	80
Sveri	100

The proportion of individuals employed in non-agricultural public or private sector is relatively low in comparison to those who are self-employed. The survey indicated that on average that there are more employees working in the public sector (23%) than the private sector (16%).The Tbilisi PACs account for the highest proportion of employees working in the private or public sector with nearly 50% working in each sector. Three quarters of all the PACs are characterised by a low percentage of employees working in the private sector (less than 10% of the active population). Similarly, a third of all the PACs are characterised by a low percentage of employees working in the public sector (less than 10% of the active population)

Beekeeping is only practised in: Khidmaghala, Grigoleti, Sveri, Mamkoda, Gldanula and Tskaltisminda and involves less than 10% of the residents.

8.3.5 Incomes

The mean average for income in the PACs is about 370 GEL/month whereas the median average is about 225 GEL/month. This discrepancy is due to those living in the Tbilisi PACs who earn on average about 1000 GEL/month. Nearly a third of the PACs have an income of about 175 GEL/month (lowest income).

Half of the PACs reported an increase in income over the last five years and one third reported a decrease.

Figure 8-5 shows the average monthly income per activity type. From this figure, it can be seen that those working as self-employed farmers earn on average the least (200 GEL/month) and those working as employees in non-agricultural private sector earn on average the most (500 GEL/month).

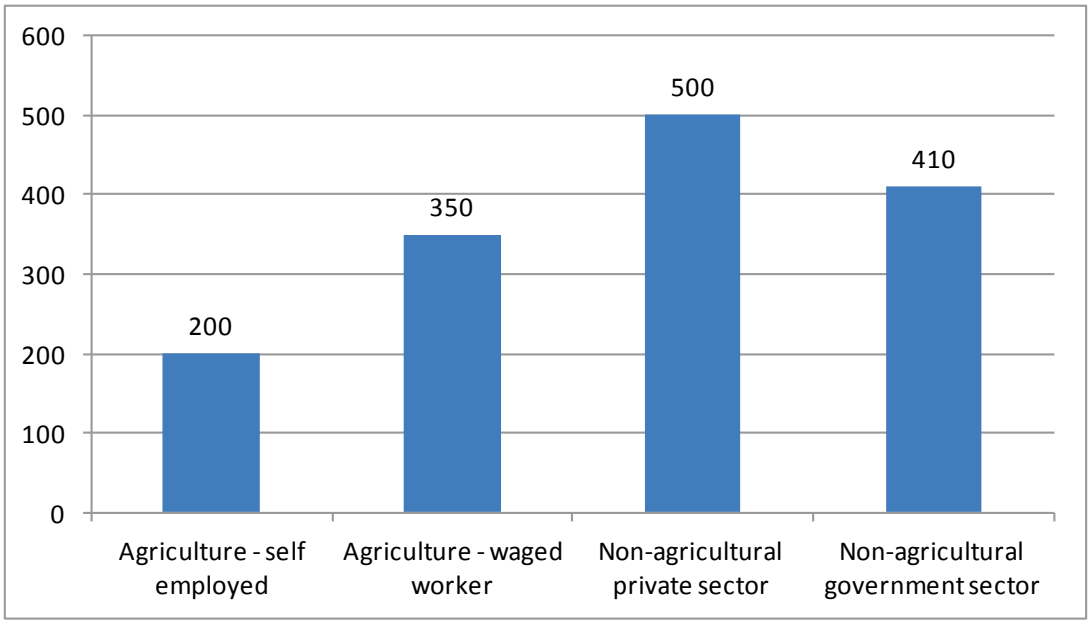


Figure 8-5: Average Monthly Income (GEL/month) per Activity Type

Information on remittances was only provided by for two PACs (Korbouli and Sveri) and information on state benefits for four PACs (Tskaltsminda, Korbouli, Khidmaghala and

Grigoleti). Pensioners earn 160 GEL/month while individuals relying on state benefits earn 168 GEL/month.

8.3.6 Infrastructure and Utilities

Transport network

PAC leaders report that for the most part the condition of local roads is poor. However, improvements in terms of road conditions were reported by the Tbilisi PACs, Mandaeti and Tkemlovana.

Microbuses are the most common forms of transportation. Only Mamkoda was reported to have buses available to its residents as well.

The proportion of households owning at least one car varies across the PACs. In Tbilisi PACs and Mandaeti, half of the households own at least one car. In contrast, in Zeda Beretisa, Usakhelo and Tskalshavi, only 5% of households own a car. Except for three PACs (Shomakheti, Korbouli and Sveri), the number of car owners has improved in recent years.

Communication

Newspapers and national TV channels are available for all PACs. Imervizia TV is accessible in Mandaeti, Tkemlovana, Zeda Beretisa, Usakhelo and Tskalshavi. Ozurgeti TV is accessible in Khidmaghala, Grigoleti and Tskaltsminda.

Internet is available in at least some households in half of the PACs (see Figure 8-5).

Utilities

Utility provision (e.g. electricity, piped gas and drinking water) to households varies between PACs as does the quality of supply. Figure 8-6 shows the percentage of PACs for which utilities are available at the household level. From this figure, it can be seen that none of the PAC houses have central heating, but drinking water, electricity and mobile phone coverage was reported to be available to all households. Hot water is only available for two PACs (Mandaeti and Tkemlovana).

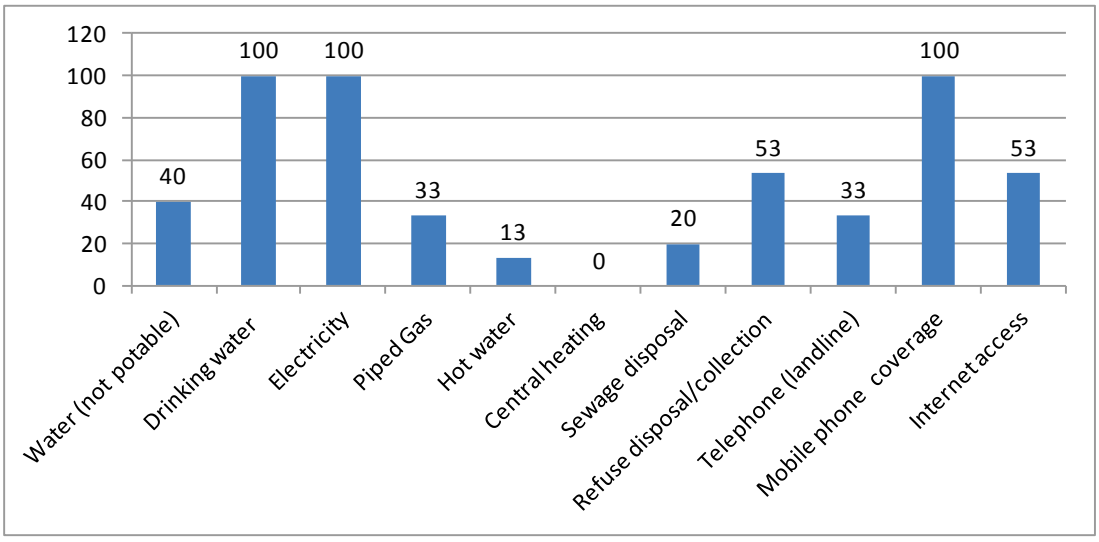


Figure 8-6: Percentage of PACs for which Utilities are Available at the Household Level, 2016

Note: Bottled gas is not represented on this graph as it needs to be purchased outside of the home. Bottled gas is available for 66% of PACs within 2km or 2-5km of the household.

In terms of quality of utilities, most existing facilities are considered good except for water (not potable) and internet access which are considered as 'poor' and drinking water and mobile phone coverage which are considered as 'acceptable'.

Figure 8-7 shows the percentage of PACs that are affected by periodic cuts in service supply for utilities. From this figure it can be seen that interruptions to the supply of water supply (both non-potable and drinking) and electricity are most frequent. Interruptions to internet services affect 25% of all PACs.

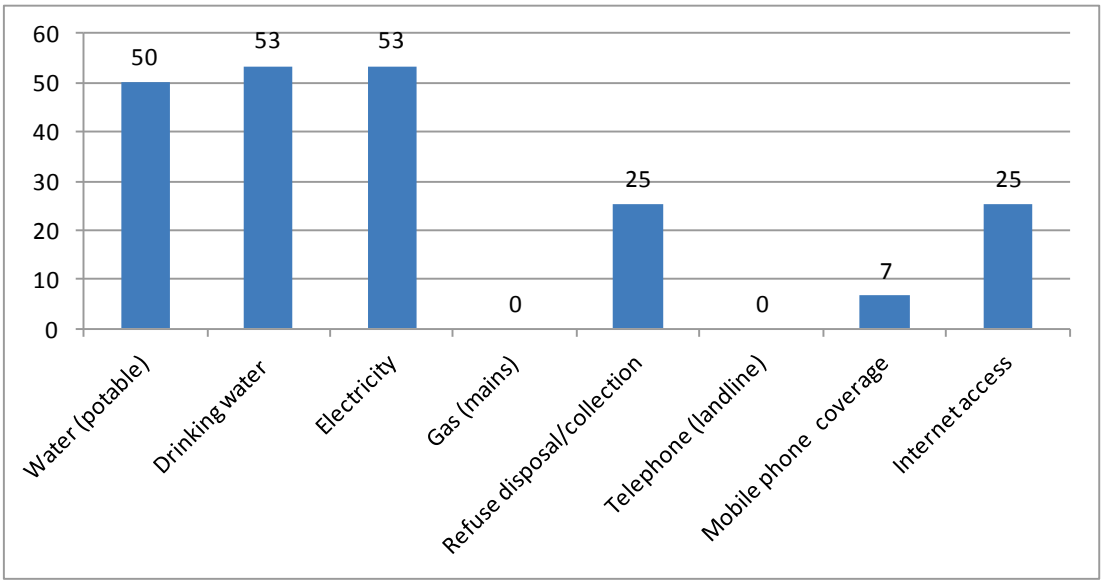


Figure 8-7: Percentage of PACs that are Affected by Utility Supply Interuptions

There have been improvements in utility provision in the past five years, but the extent and type of new provision varies. In some PACs there has been no change (such as Mandaeti and Tkemlovana) while others have benefitted by one, four or five improvements in provision. Most of the improvements relate to access to drinking water, electricity and internet access.

Social facilities

Social facilities include facilities that may be classed as 'social' infrastructure such as schools, clinics/hospitals, recreational/entertainment venues and places of worship (churches / mosques). Figure 8-8 shows the percentage of these facilities that are available at the village level. Places of worship and libraries are present in almost all PACs whereas post offices, food markets, general stores and houses culture are absent in almost all PACs.

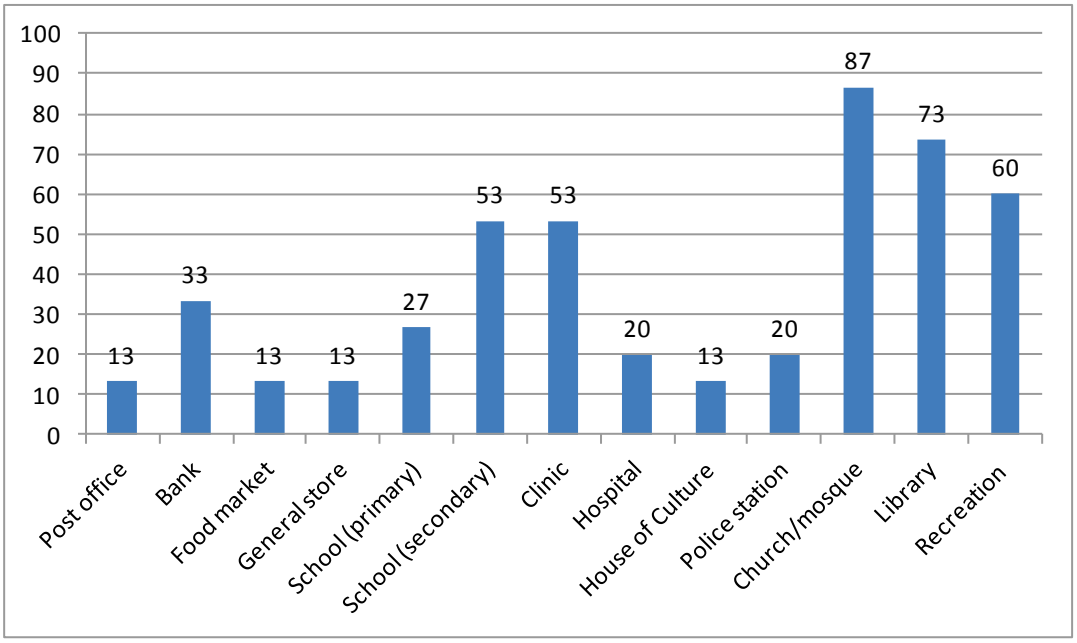


Figure 8-8: Percentage of PACs for which Social Facilities are Available in the Village, 2016

Notes: Recreation facilities include sport facilities and clinics include doctor's surgeries.

Figure 8-9 shows the percentage of social facilities that are available within or near each village; the majority of facilities are available within 5km of the PAC villages. The facilities that are the least available are houses of culture (14%), primary schools (40%), hospitals (50%) and police stations (60%). All the other facilities are available for more than 70% of the PACs.

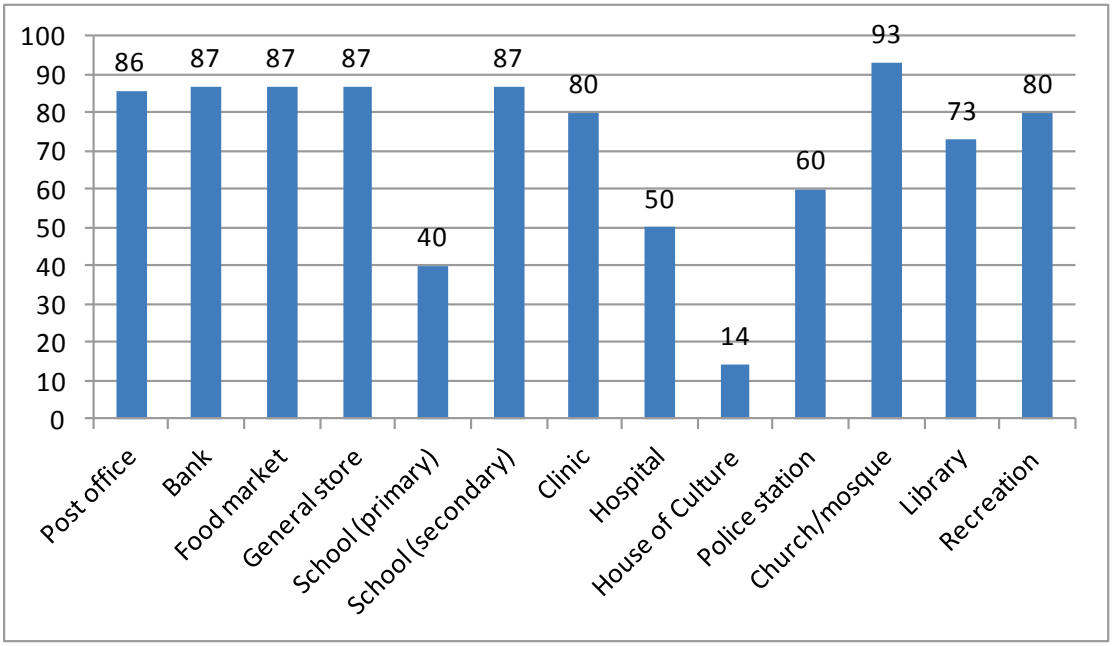


Figure 8-9: Percentage of PACs for which Social Facilities are Available in or near the Village, 2016

PAC leaders described ease of access to these facilities as 'good' with the exception of post office, general store, hospital and police station which were deemed to be 'acceptable'.

Figure 8-10 below shows the number of social facilities which have been built over the last 5 years. From this figure, it can be seen that the majority of these new built facilities are either places of worship or secondary schools (9 new ones). The figure also shows that no houses of culture and only two food markets have been built. The high number of new schools reflects government programmes for rebuilding schools. All secondary schools in Sachkhere were replaced with new ones between 2008 and 2011 by the former Prime Minister, Bidzina Ivanishvili. In addition the Ministry of Education has been implementing a programme for the renovation/replacement of school buildings for the last 5-6 years.

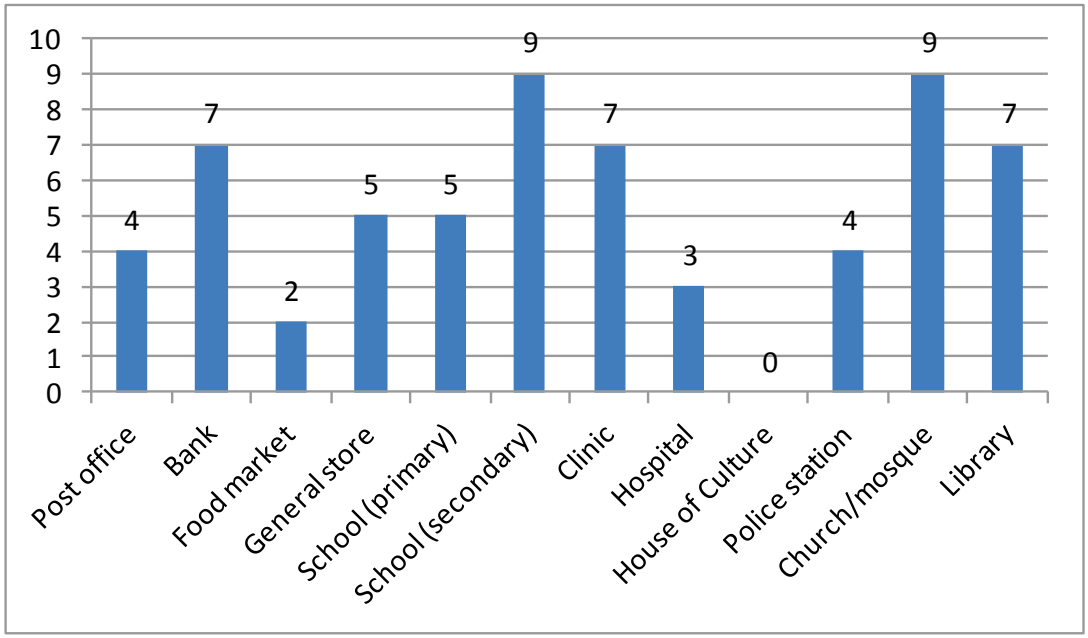


Figure 8-10: Number of Newly Built Social Facilities, 2016

8.3.7 PAC Concerns

Figure 8-11 shows the most common concerns reported by PAC leaders as affecting the quality of life of their residents. Unemployment is an issue in all PACs. Outmigration is also a major issue except for the Tbilisi PACs where it is offset by in-migration from other parts of Tbilisi (see section 8.3.2). The poor conditions of social facilities including road infrastructure were reported as a source of concern by about half of the PACs.

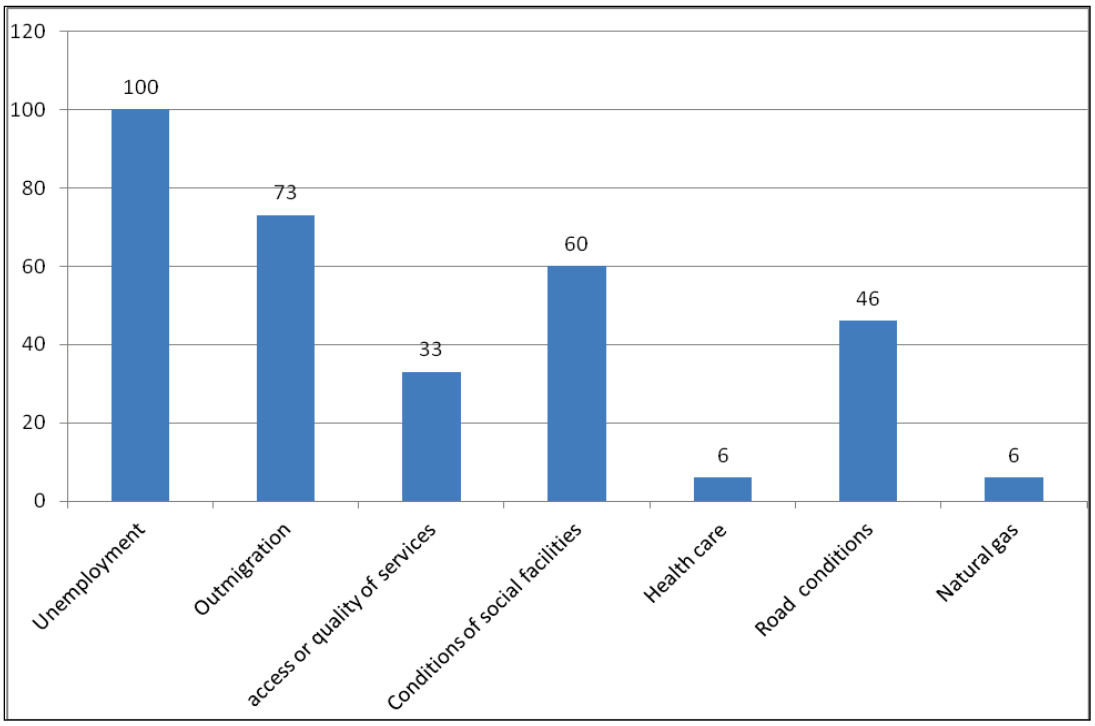


Figure 8-11: PAC Concerns, 2016

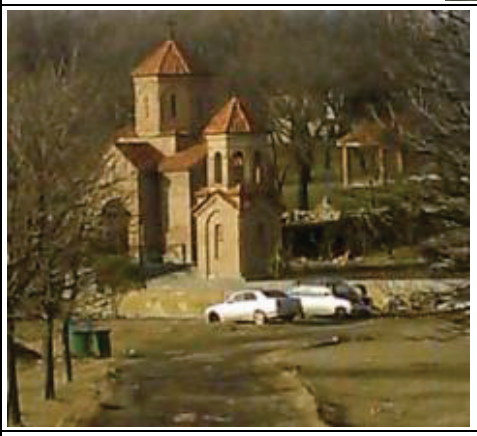
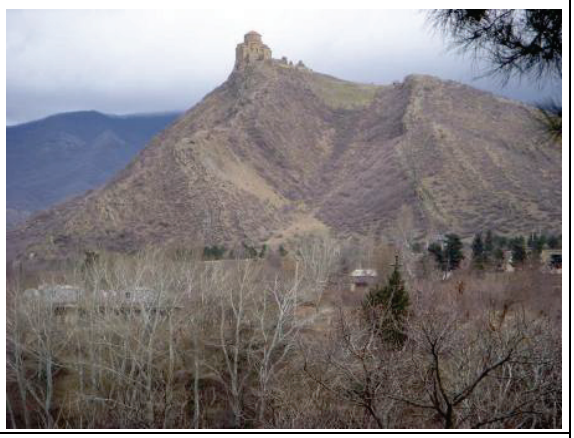
8.4 Sensitive Receptors in the Project Area

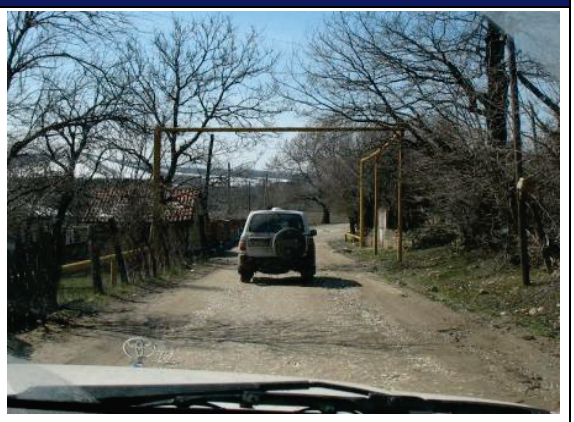
Potentially sensitive social receptors were recorded during a field survey of the proposed re-route sections in July 2015. This was supplemented by a survey of receptors along the proposed access roads during February 2016.

Table 8-8: provides a summary of specific social receptors that could be affected by the proposed pipeline works e.g. by traffic, dust, noise or vibration. Their locations are identified by the closest aerial marker (AM) on the existing WREP and are shown on the constraints maps in Appendix A. ARs are numbered according to the nearest AM where they join the ROW. Mitigation measures for each of these receptors are presented in Chapter 10.

Table 8-8: Sensitive Social Receptors

Section or Access Road	Constraint
RP-001a KP1.0	 Earth/stone dwelling and small holding within 40m of proposed route. This is a fragile building with little insulation from noise.
RR-001 KP0	Two houses within 70m of RR-001 tie-in area and AR63.
RR-001 KP2.0	Two summer houses within 30m of proposed route. These are part of a group of approximately 160 houses belong to the factory 'Centroliti'. Some are permanently occupied, whist others are only used in the summer.
AR63	Houses, concrete factory, construction company, stone masons yard, food processing enterprise, farm and cemetry along access road.
AR63a	Mamkoda village; nearest house c. 290m from access road.
AR63a and AR64.5	 Group of summer houses (west of Mamkoda)within 220m of the roads.
AR65	Road (Chavchavadze Street) is through part of Gldani village and crosses Baratashvili, Samegreio and Svanet Streets. Residential housing. No social institutions identified.
AR66	Private houses c.190m south east of the road.
RR-001, KP3.0	St George's Church on top of hill, 160m from the proposed route.
RR-001 KP5.2 and AR67	Monastery 130m to south of proposed route and access road.

Section or Access Road	Constraint
RR-001 KP6.8 and AR69a	Farm building within 60m of the road, separated by dense forest. 
RR-001 KP6.8 and AR69a	 St George's church and complex of residential buildings associated with the Jvari Monastery complex 200m west of road.
AR 69	Access to ROW is from the main asphalted road to Jvari Monastery, which is a UNESCO World Heritage Site and major cultural and tourist attraction. The road is used by tourists visiting the monastery; traffic includes coaches. 
AR to BVS 28 (potential deoiling site)	 Restaurant, café and a closed restaurant that is occupied by IDPs (illustrated) are adjacent to this road.

Section or Access Road	Constraint
AR to PSR1	 This proposed access road is along 20km of existing road that crosses several villages and unpopulated areas and is a bus route. In Korbouli, the road runs through the village for about 5km. The road has a recent asphalt surface and is generally 5–6m wide. The distance between the houses and the road varies from 5m to 50m. There is an elevated gas pipeline following the entire length of this section. Specific receptors include: • Korbouli school # 1, which is about 10m from the road • Additional school buildings that are being constructed 15m from the road • Korbouli school #2, approximately 20m from the road • An open-air market and numerous small shops, small enterprises and bus stops on both sides of the road In Shomakheti, the road runs through the village and is about 8m-wide with an asphalt surface. Shomakheti school is within 10m of the road. In Zeda Beretisa, the road skirts the northern end of the village but avoids the main populated area. In Usakhelo village, the road is through a residential area for about 1km; the houses are very close to the road, which is 6m wide with an asphalt surface. The road passes within 20m of Usakhelo school. The road crosses through Zeda Usakhelo/Tsiteli Eklesia settlement and is within 50m of the village cemetery.
AR223	 This road runs through the centre of Mandaeti village. There are houses, shops, a school and the gamgeoba within 20m of the road, as well as a kindergarten which is under construction (illustrated).
AR225	Houses within 80m of the access road.
AR373	A shop, farm and houses are adjacent to the road.