
Georgia poll puts economic revival under scrutiny

By Niko Mchedlishvili
Reuters - 2/1/2008

For the waitress working in a busy Tbilisi cafe a few days before Georgia votes in a presidential election, the economic revival under President Mikhail Saakashvili is not all it is made out to be.

Between serving plates of khachapuri, a warm cheese-filled flatbread, and bowls of the dumpling-like khinkali, 45-year-old Nani Chikovani paused to explain.

"Our family earns more money because our daughter has a job, but we pay more taxes and bills," she said. "We have the same amount of money at the end of each month, not more." The West holds Saakashvili up as a model economic reformer in the South Caucasus -- a transport corridor between east and west -- where Georgia is at the centre of a power struggle between its ally United States and former overlord Russia.

Under Saakashvili, ex-Soviet Georgia has privatized former state companies, devised liberal economic rules and attracted large sums in foreign investment.

Ordinary people have seen their incomes rise as the economy grows.

But support at home for Saakashvili, who swept to power in a peaceful 2003 revolution, has dropped as Georgians complain of elitism, corruption, an unfair legal system and an economic boom that has not delivered the benefits they hoped for.

Inflation has eaten into salaries and utility bills have soared as they realign with market prices.

Saakashvili is expected to win the January 5 election, largely because the opposition is divided. But commentators say voters will use the election to register disappointment with his rule.

Chikovani, the waitress, cleared an empty plate off a table. "We pay all our income taxes, which was unusual five years ago and in addition to that, gas is 50 percent more expensive than a year ago," she explained.

SOCIAL IMPROVEMENTS

The Georgian president called the election in November as a compromise move after he shocked Western allies by sending in police with tear gas and rubber bullets to force opposition protesters off the streets.

Saakashvili's opponents back his pro-Western policies but accuse him of crushing democracy and plotting against his opponents - all charges he denies.

Promising social improvements and reducing or scrapping utility costs in a country where the average wage hovers around \$150 a month has emerged as a key election battle ground.

The Labor party, whose candidate Shalva Natelashvili is likely to be one of Saakashvili's strongest challengers on January 5, has pledged free gas, electricity and water. Other opposition candidates have made similar promises.

For his part, Saakashvili has staged television chats with teachers and other state employed workers, listening intently, and promised to increase state pensions to \$50 a month, up from the current \$34 and ahead of the \$24 it was before November.

He is asking Georgians to show patience. The European-style economy he is promising to build will, he says, take a few more years to become a reality.

"When I'm asked 'What did you do in the last four years of your presidency?' my answer is: 'I built roads, a new army. We improved the energy supply'," Saakashvili said on the campaign trail.

"Without any of these we can't create new jobs and raise salaries."

(Writing by Chris Baldwin and James Kilner, editing by Richard Balmforth)
