



Georgia Gap Analysis

Europe & Eurasia (E&E) Bureau
USAID
February 2015



Economic and Democratic Reforms in 2013-2014

Figure 1

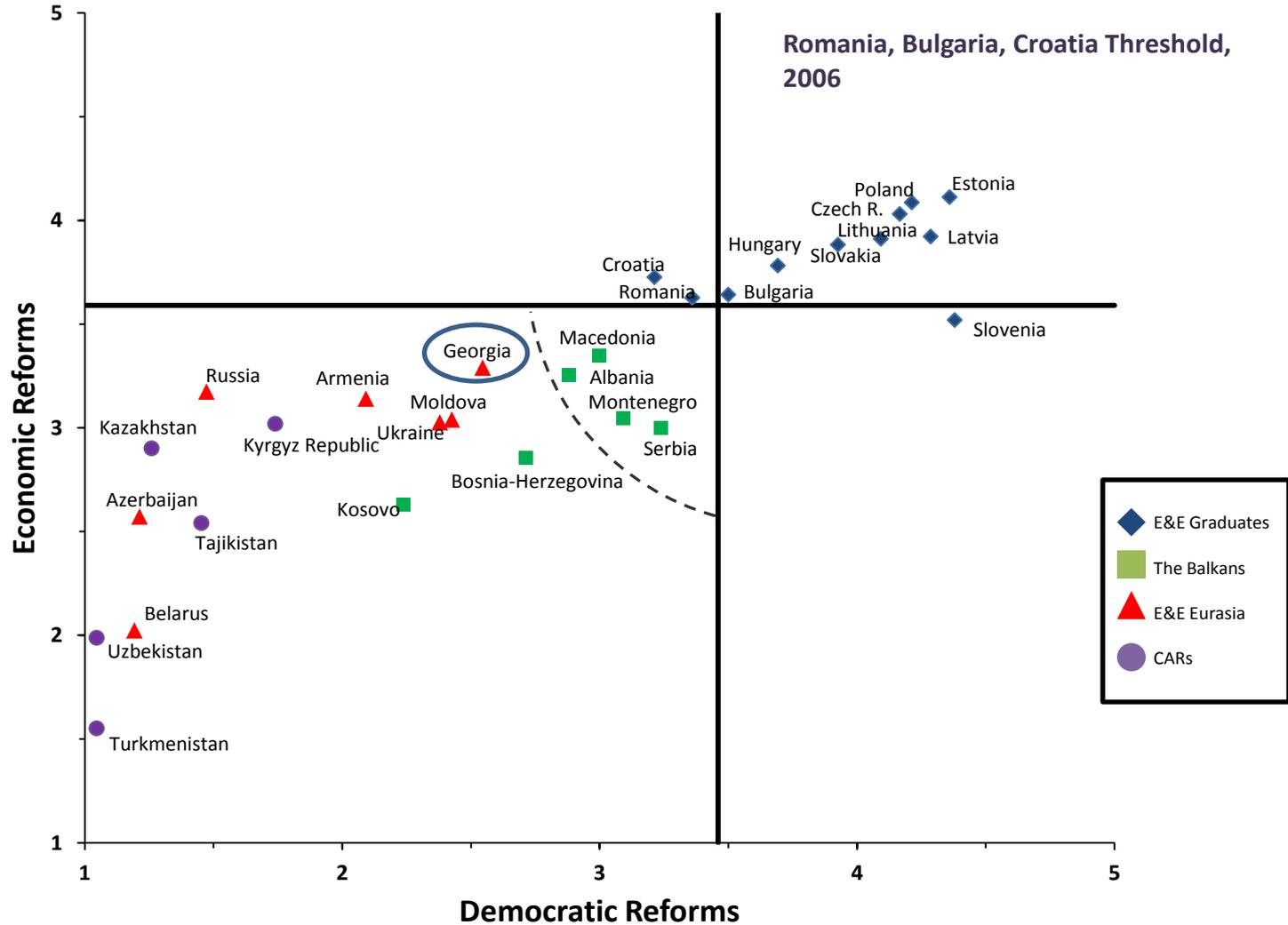
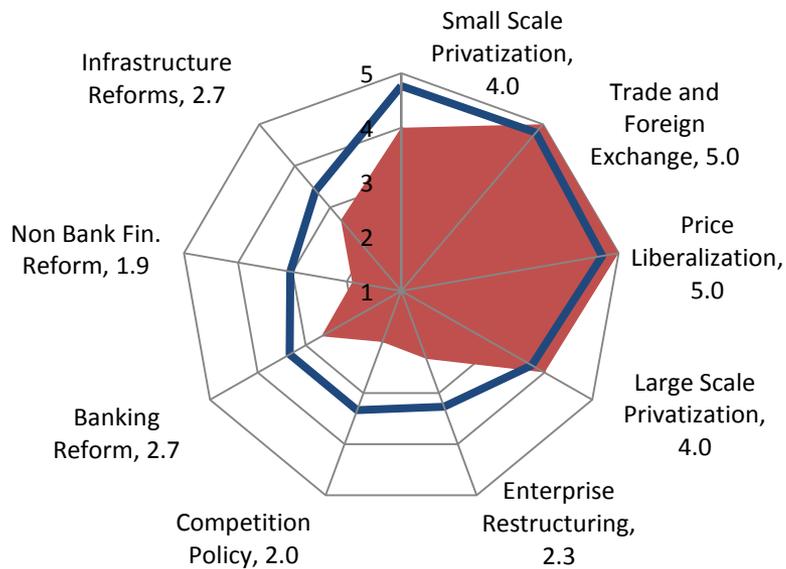




Figure 2

Georgia's Reform Profile

Economic Reforms, 2014



Democratic Reforms, 2013

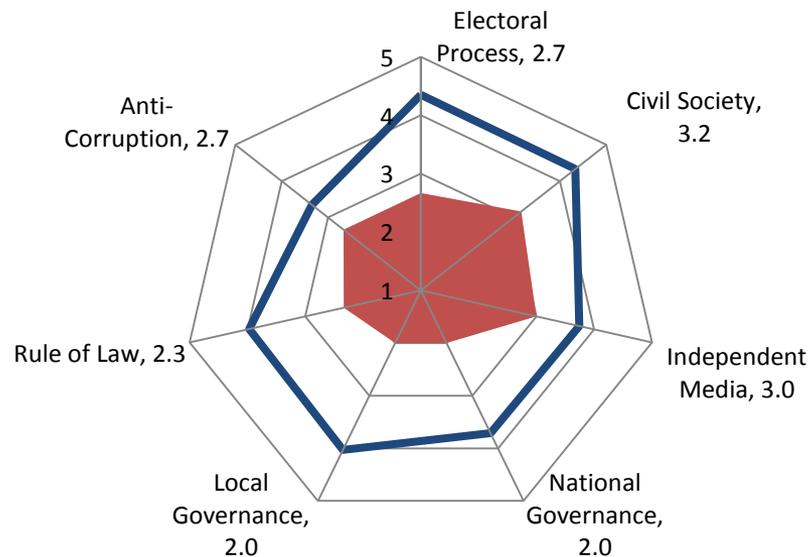
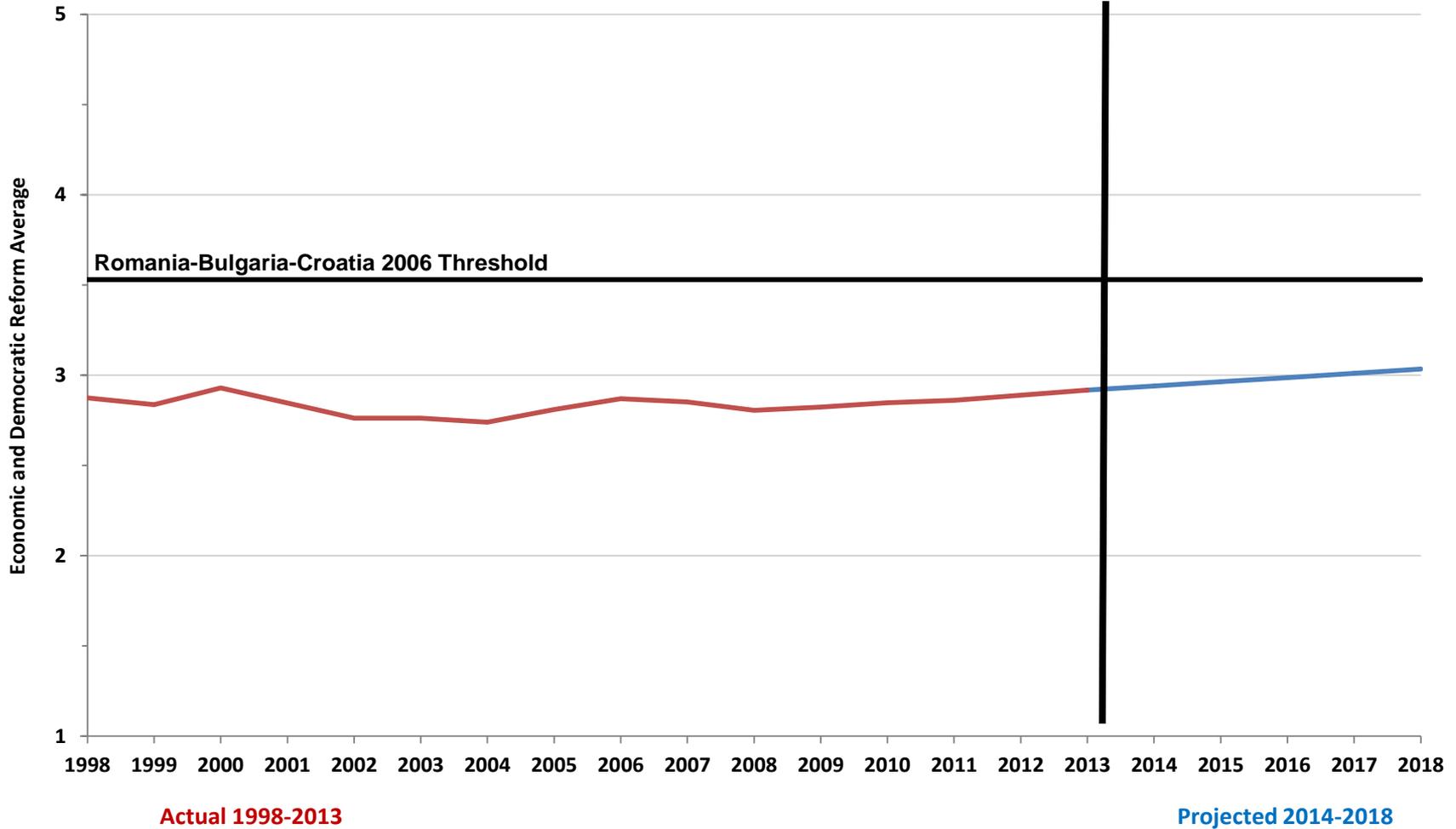




Figure 3

Georgia's Reform Trajectory



The projections are extrapolations from the average annual trends from 2009-2013. The economic reform data are drawn from the EBRD's annual *Transition Report*, and the democratic reform data are drawn from Freedom House's annual *Nations in Transit* series.



Figure 4

Macroeconomic Reforms in E&E Eurasia

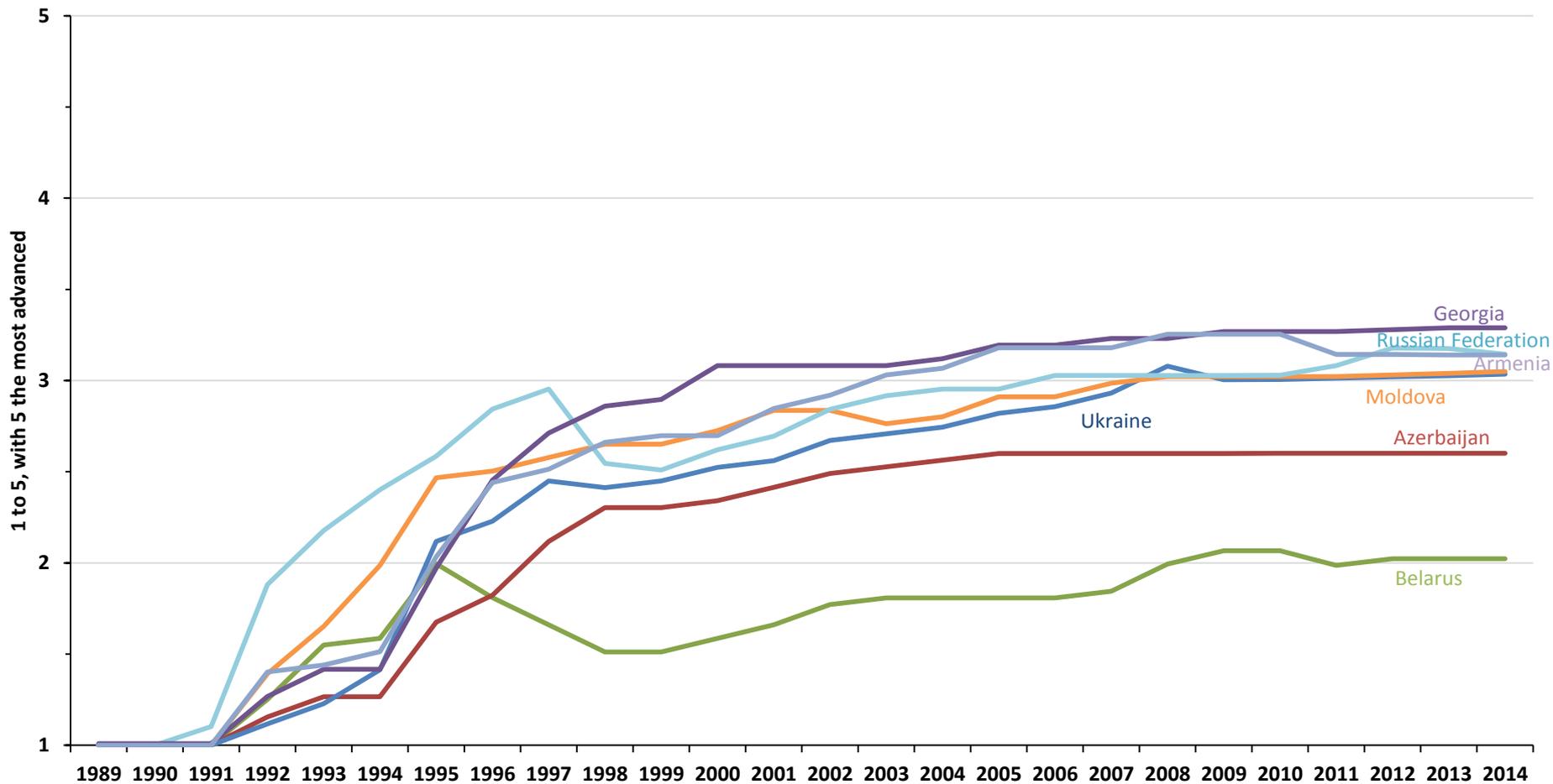
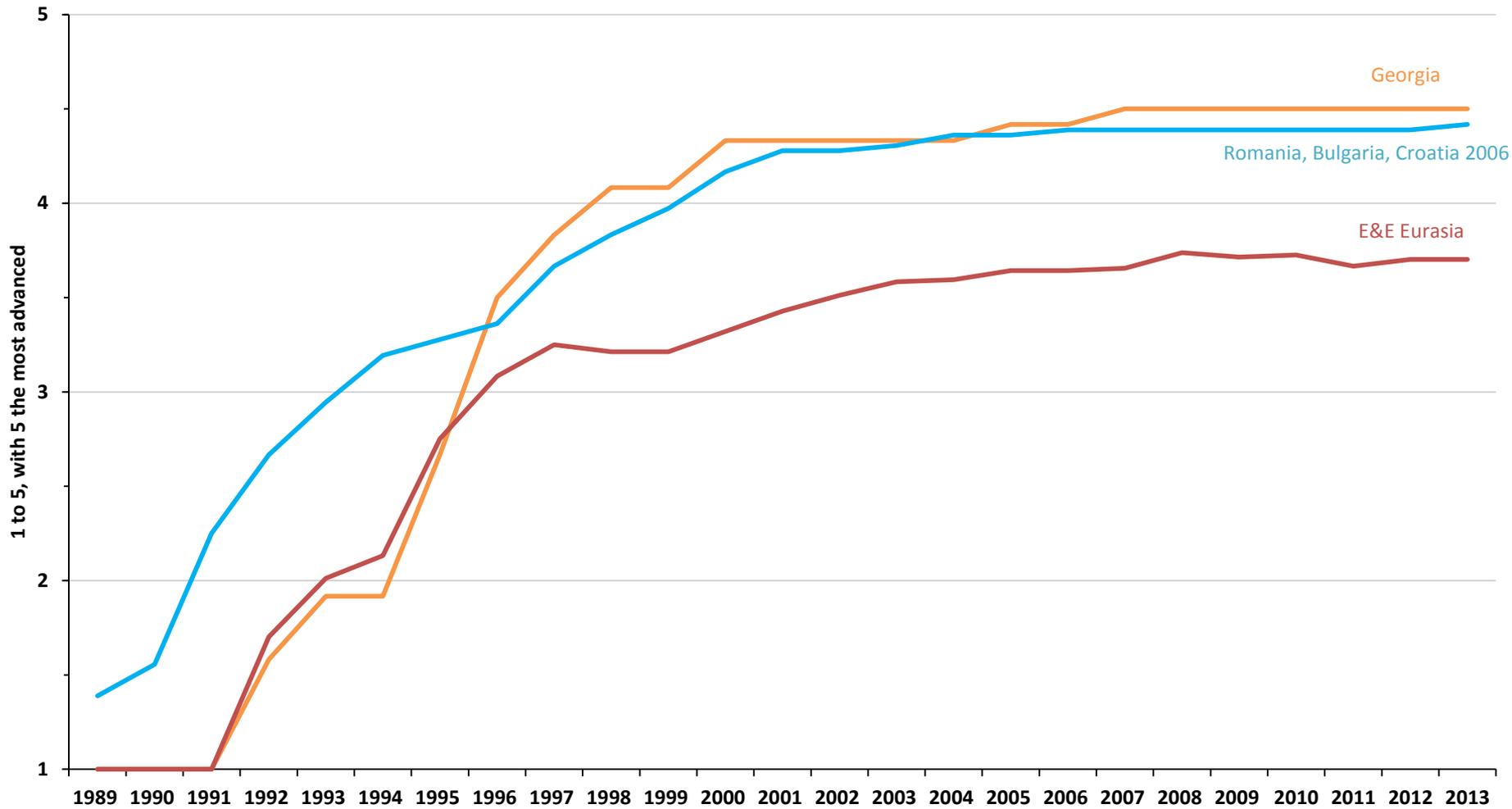




Figure 5

Stage 1 Macroeconomic Reforms

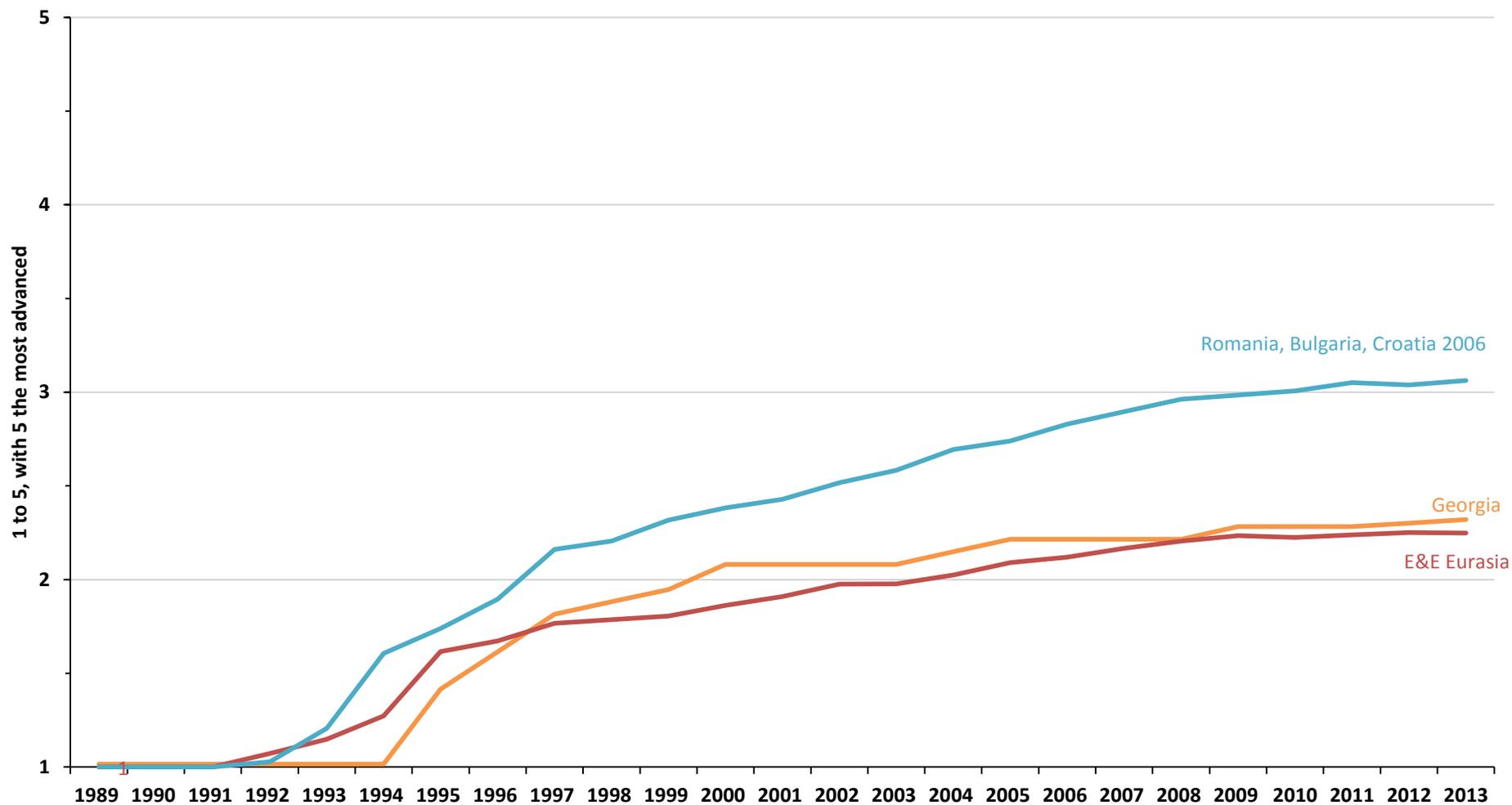


Drawn from the EBRD *Transition Report* (2014 and earlier editions). First stage reforms include price liberalization, trade liberalization, and small-scale and large-scale privatization.



Figure 6

Stage 2 Macroeconomic Reforms

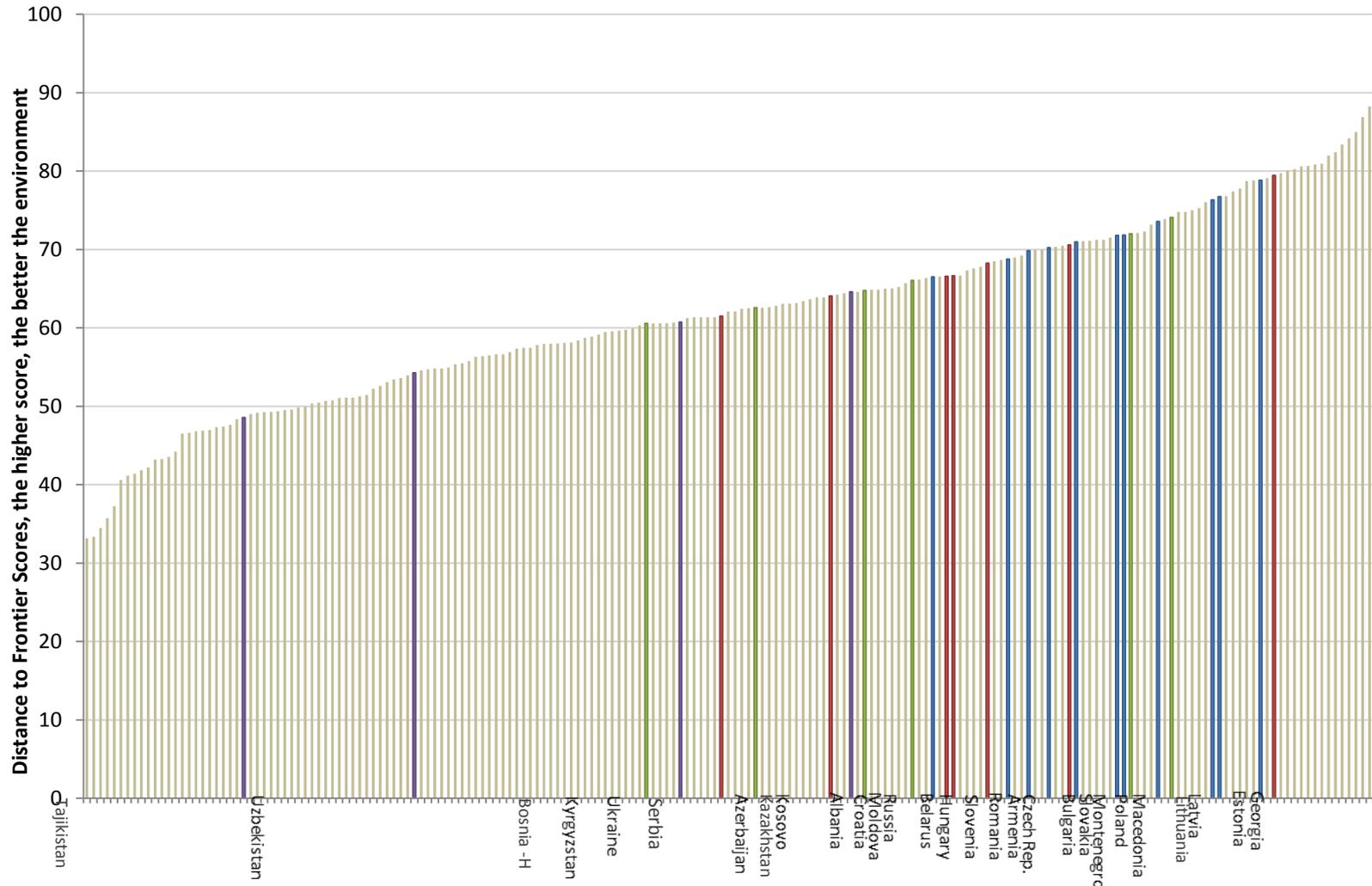


Drawn from the EBRD *Transition Report* (2014 and earlier editions). Second stage reforms include banking reforms, non-bank financial sector reforms, infrastructure including energy, governance, and competition policy.



Figure 7

2014 Business Environment in the World



World Bank, *Doing Business 2015* (October 2014). The Distance-to-Frontier score represents the gap between the economy's performance and measures of best practices across the World Bank's 10 components of doing business. On the Distance-to-Frontier 0-100 score, 100 represents the frontier, the optimal outcome.



Figure 8

Business Environment in E&E Eurasia Over Time

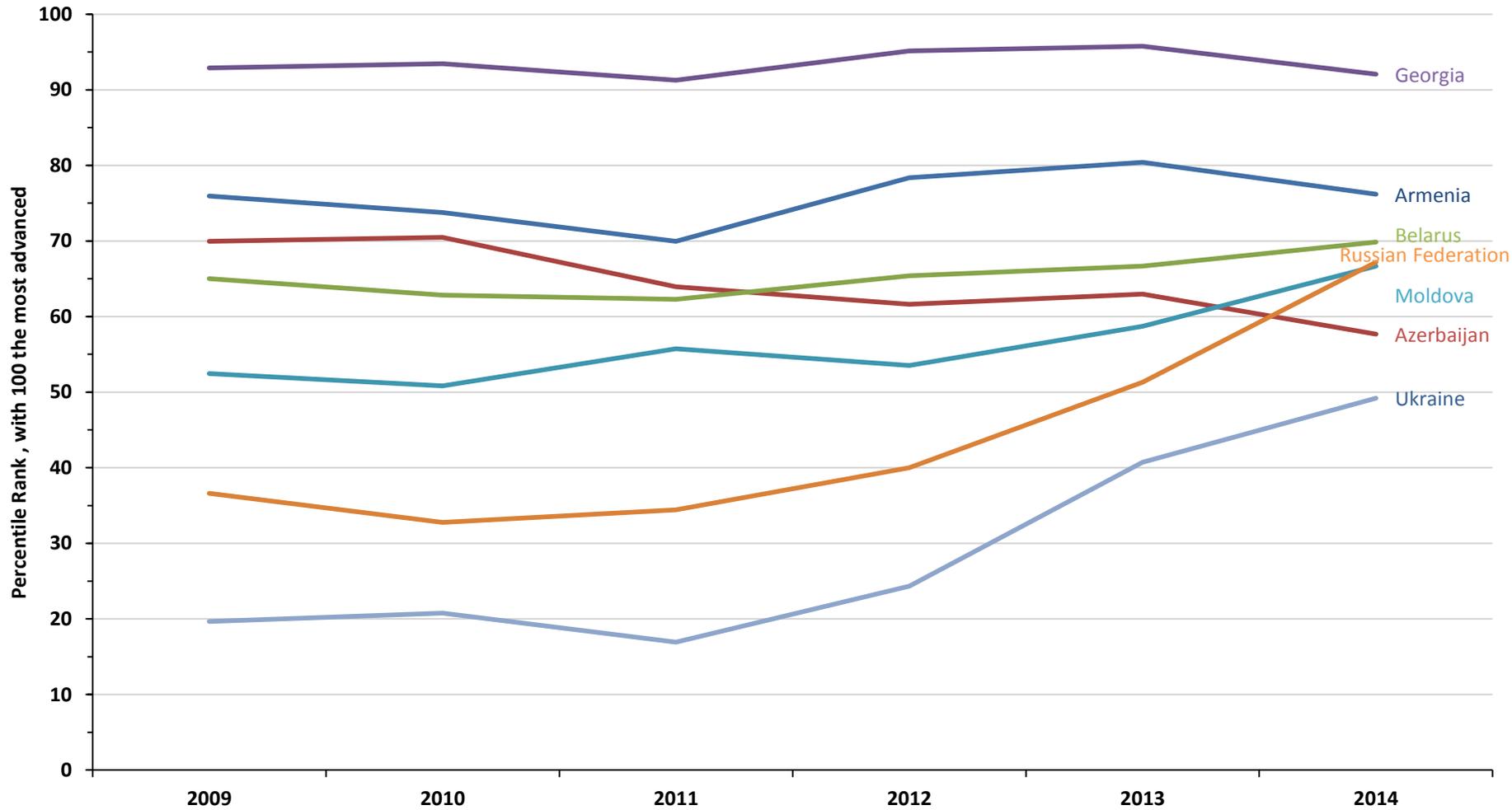
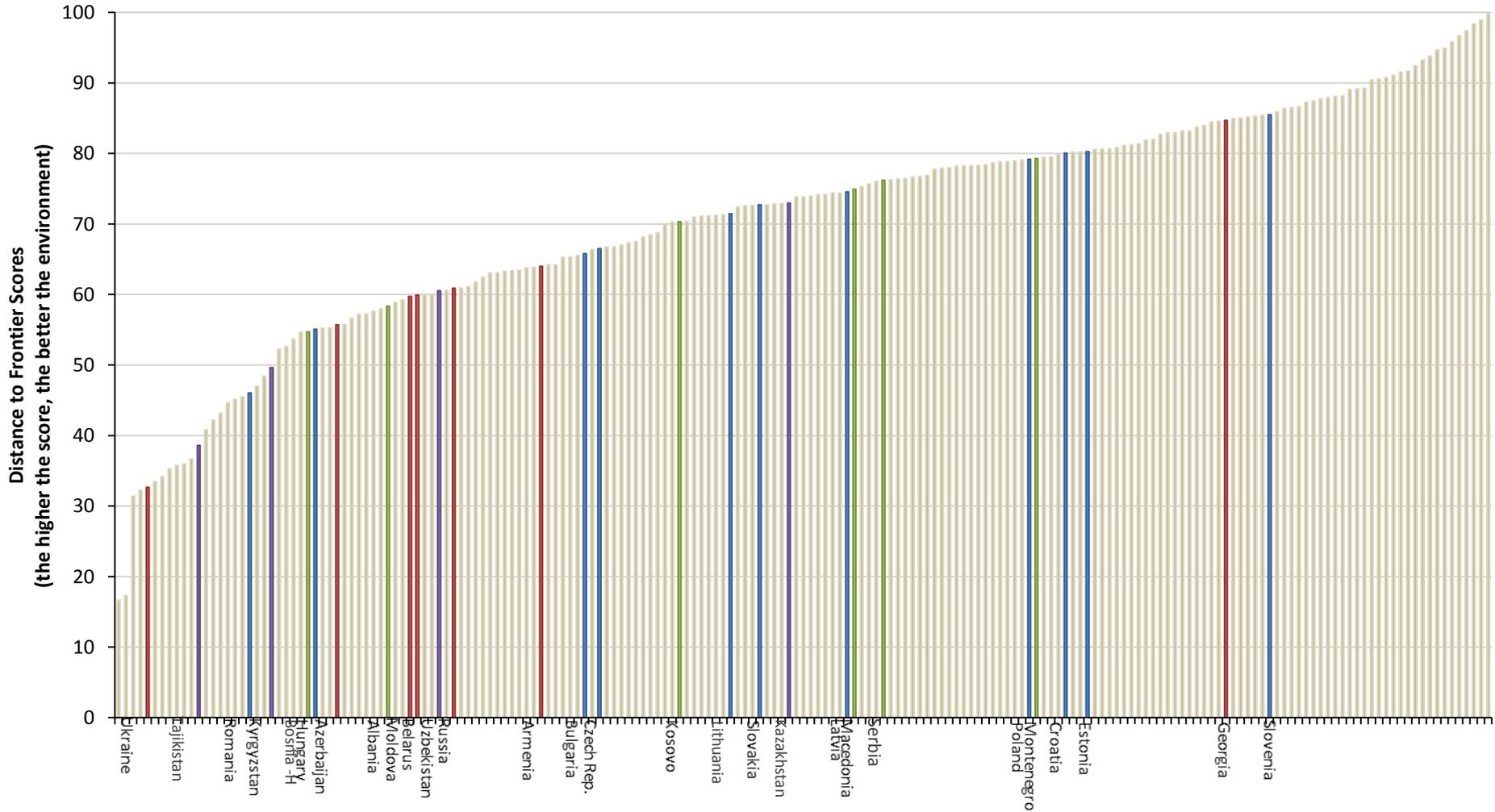




Figure 9

Getting Electricity in the World

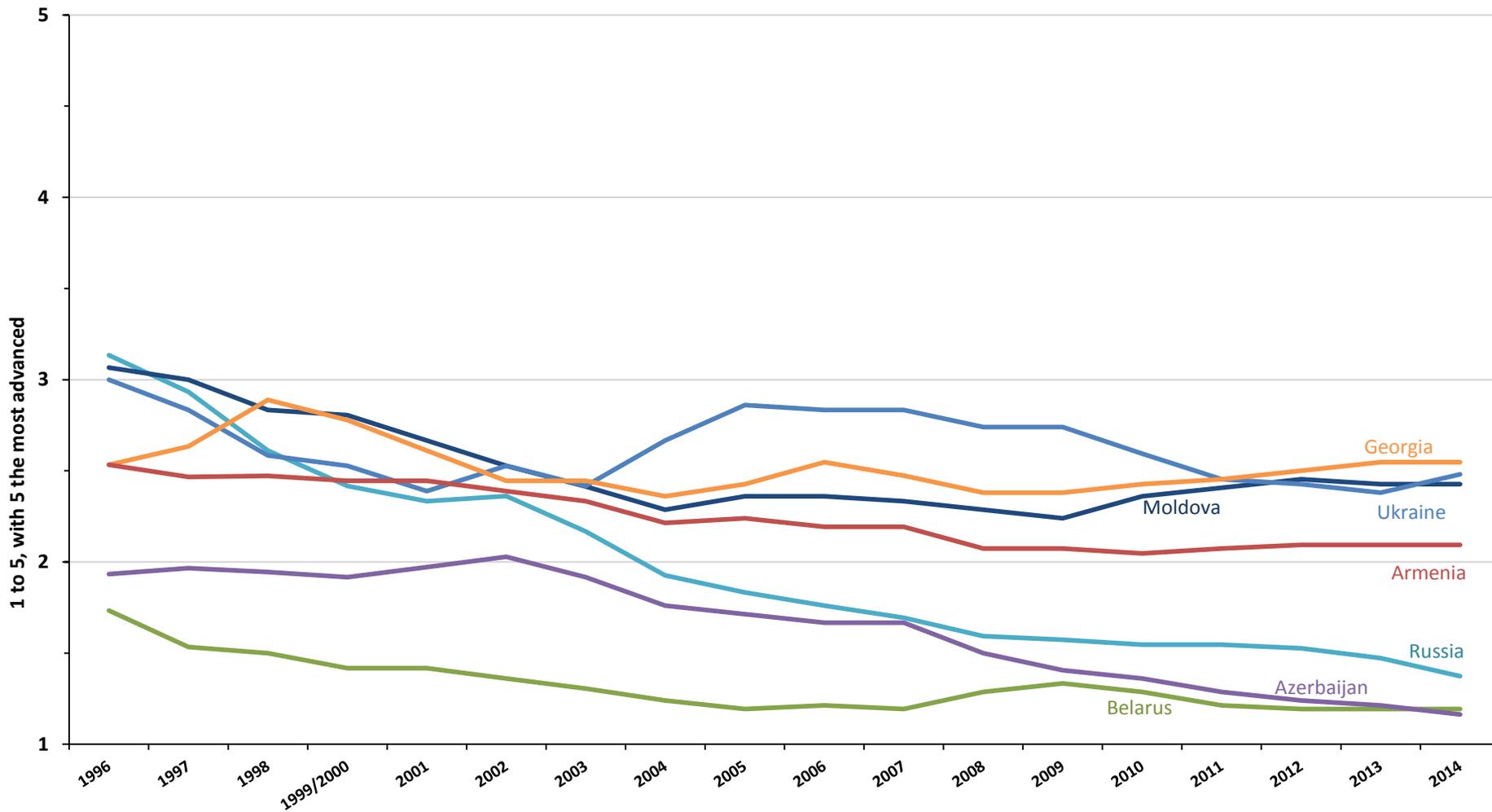


World Bank, *Doing Business 2015* (October 2014). Getting Electricity is one of 10 components that comprise the World Bank's Ease of Doing Business rankings. The Distance-to-Frontier score represents the gap between the economy's performance on getting electricity and measures of best practices globally. On the Distance-to-Frontier 0-100 score, 100 represents the frontier, the optimal outcome.



Figure 10

Democratic Reforms in E&E Eurasia

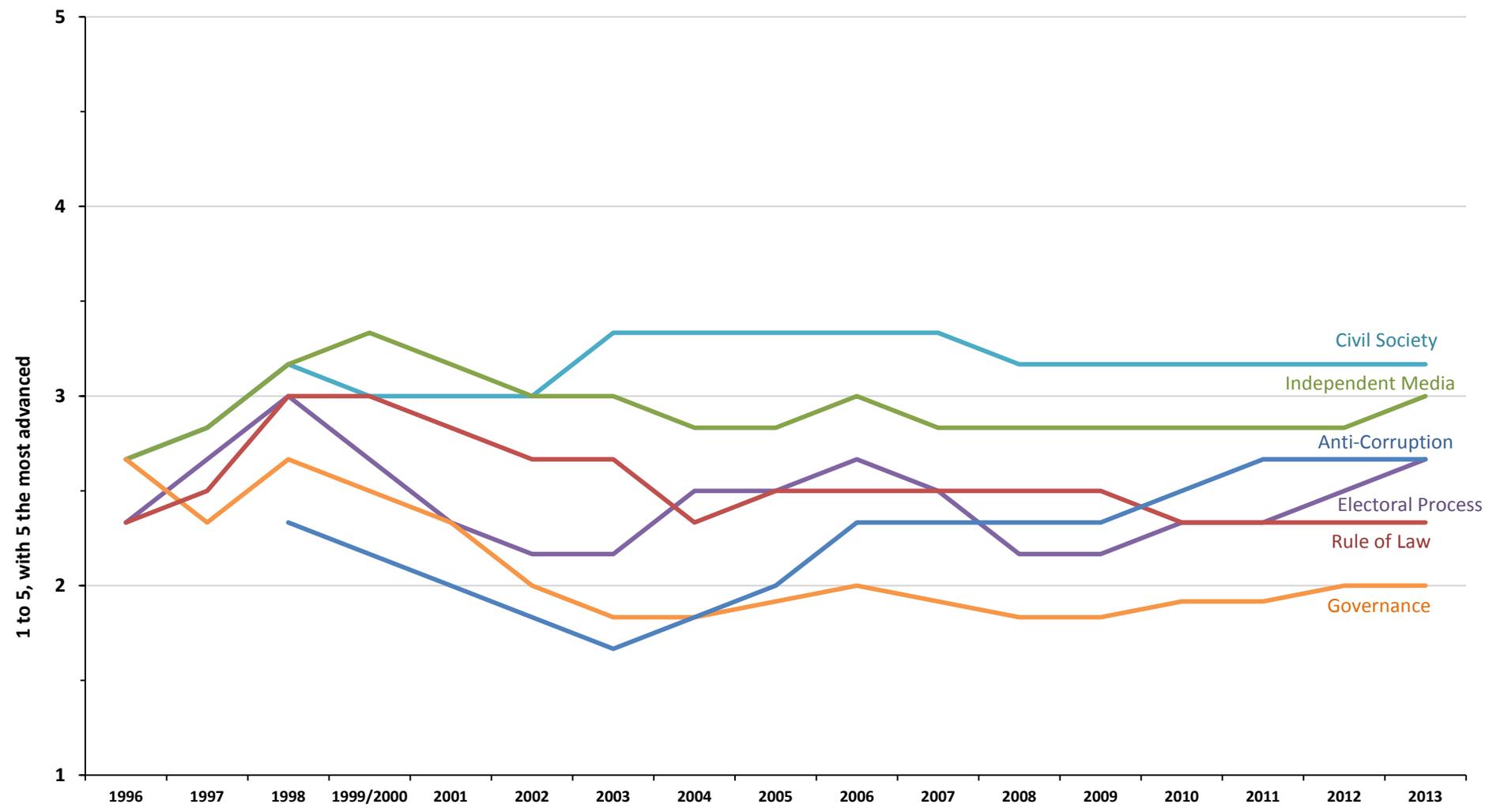


Drawn from Freedom House, *Nations in Transit* (2014 and earlier editions) and Freedom House, *Freedom in the World* (January 2015).



Figure 11

Democratic Reforms in Georgia



Drawn from Freedom House, *Nations in Transit* (2014 and earlier editions)



Figure 12

Economic Growth and Contraction in Georgia vs. the Eurasian Energy Importers



International Monetary Fund (IMF), *World Economic Outlook* (October 2014). The Eurasian energy importers include Armenia, Belarus, Georgia, Moldova, Kyrgyzstan, Tajikistan, and Ukraine.



Figure 13

Economic Growth and Contraction in Georgia vs. Russia

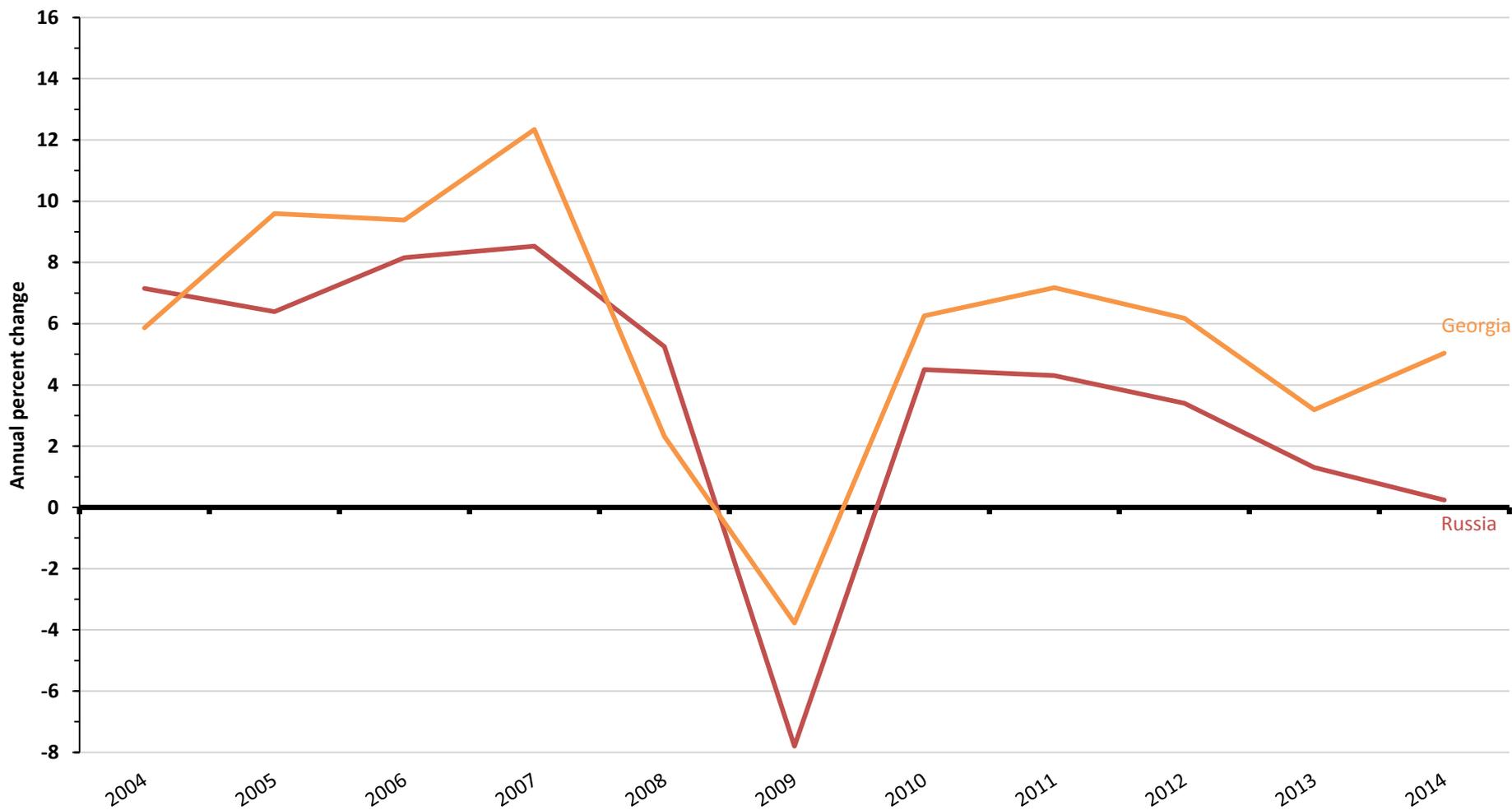
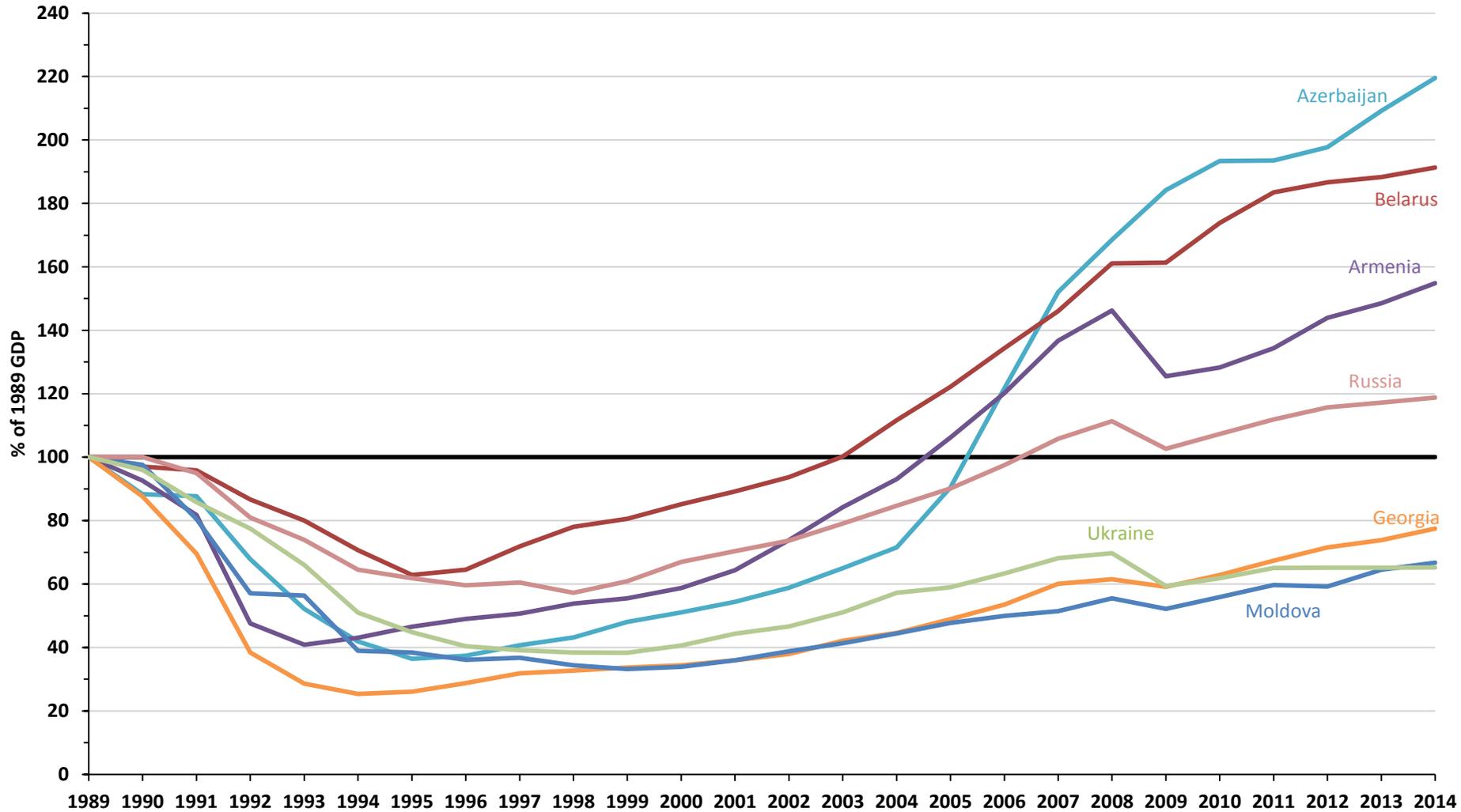




Figure 14

Real GDP as % of 1989 GDP in E&E Eurasia

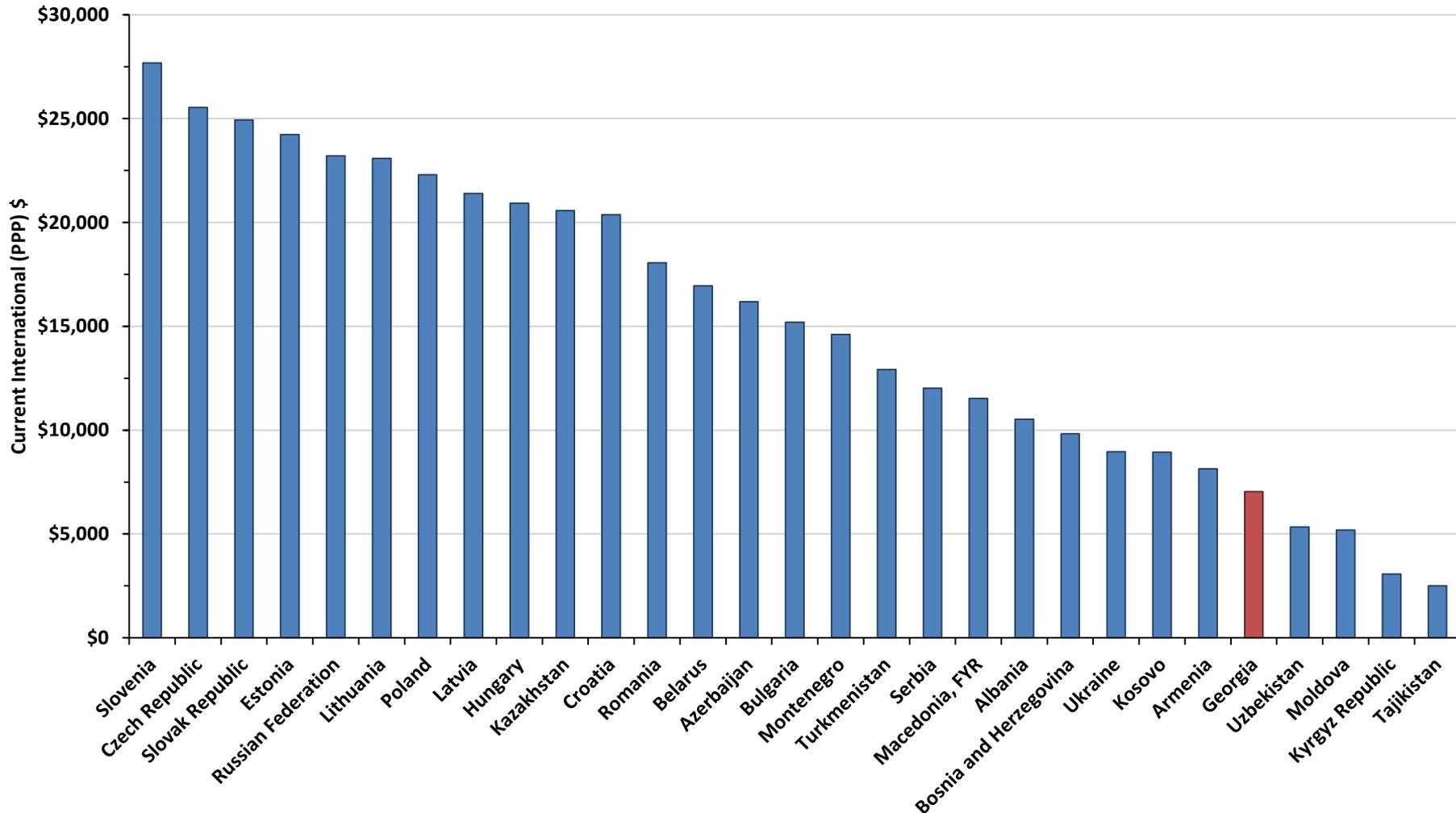


Data taken from EBRD, *Transition Reports*.



Figure 15

Gross National Income Per Capita in Eastern Europe & Eurasia in 2013



World Bank, *World Development Indicators* (July 2014). Data are 2012 for Slovenia, Slovak Republic, Lithuania, Latvia, and Hungary.



Figure 16

Georgia's Economic Integration in the World

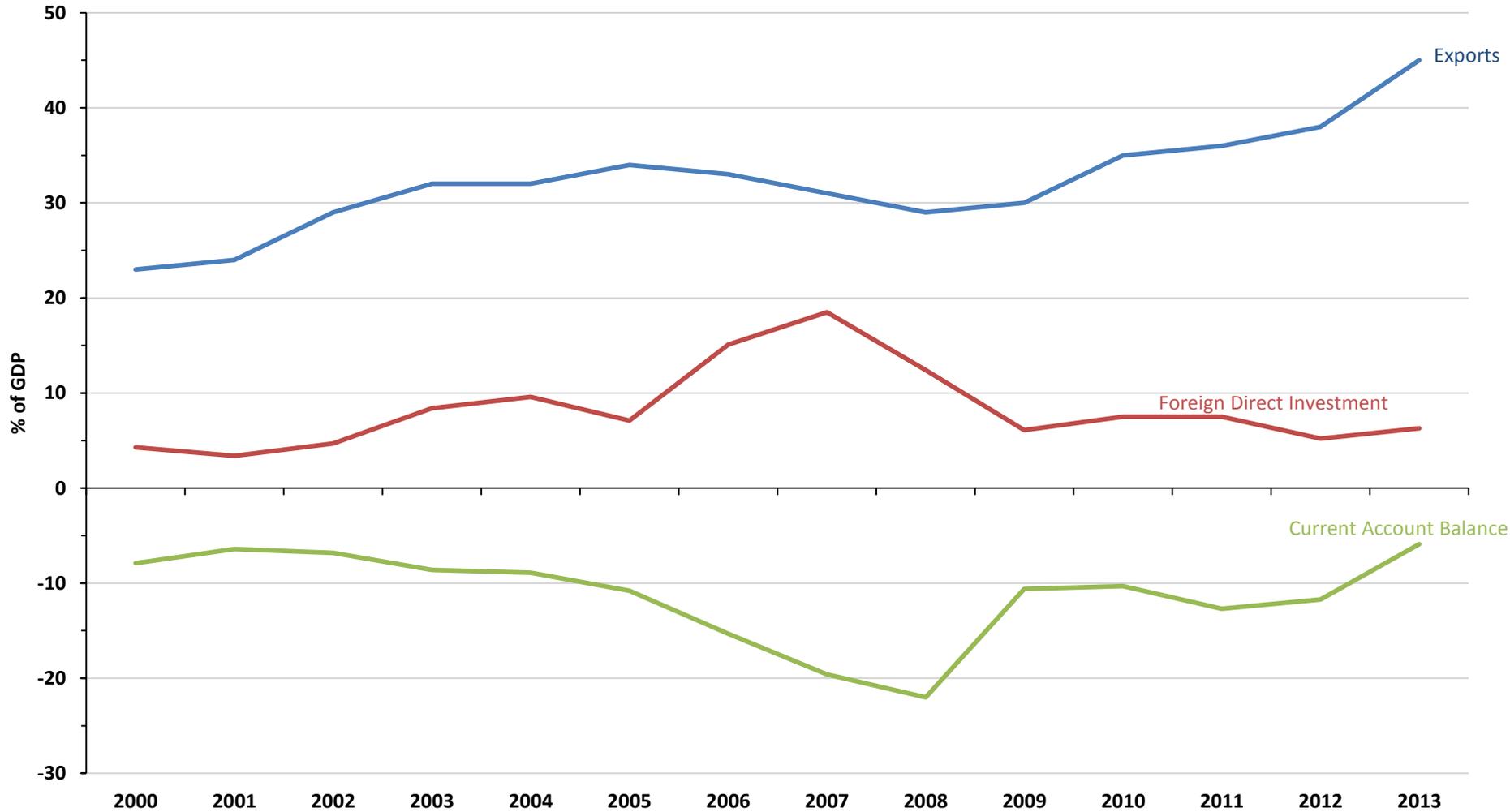




Figure 17

Georgia's Economic Integration in the World (including external debt)

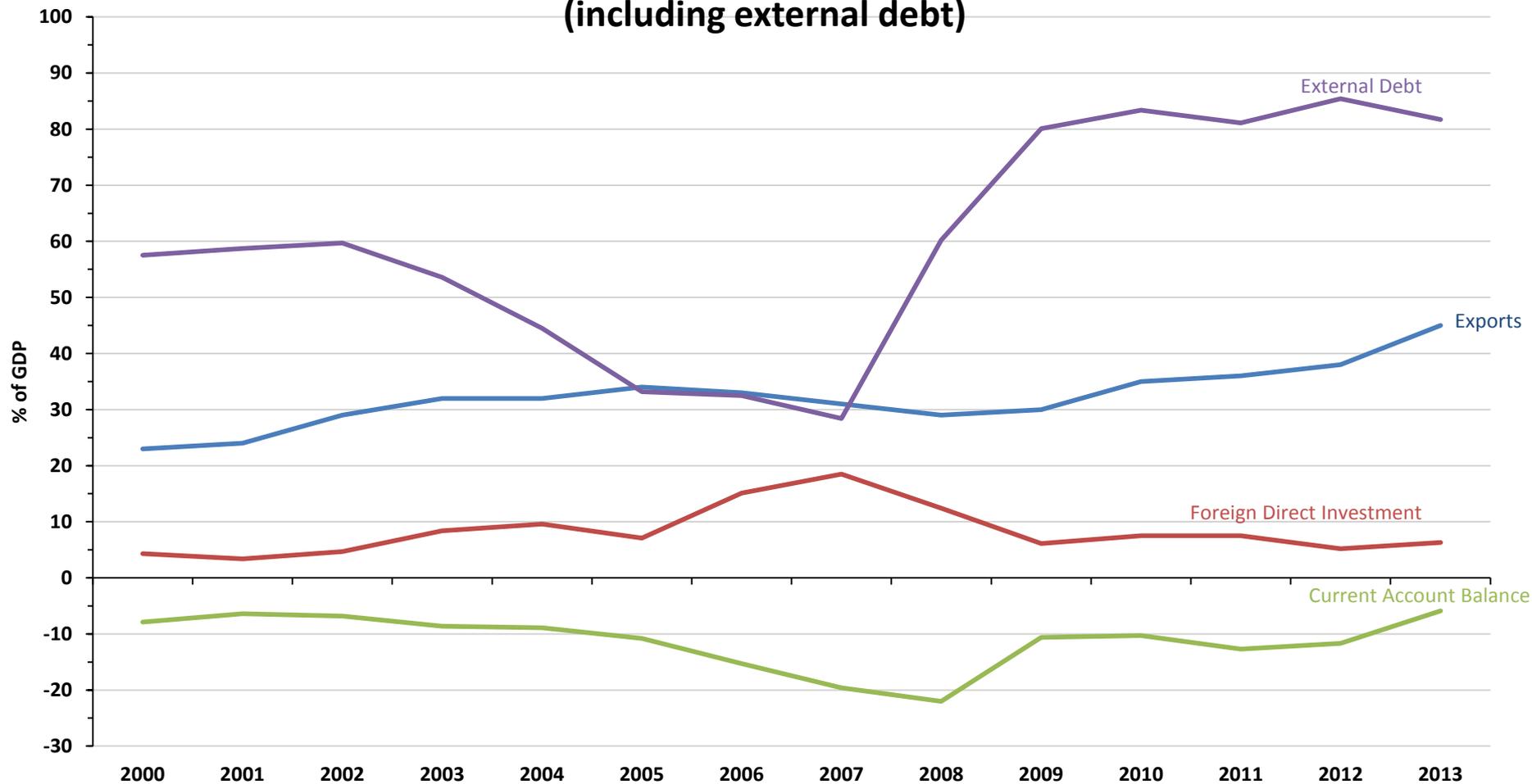




Figure 18

Georgia's Natural Resource Exports, 1996-2013

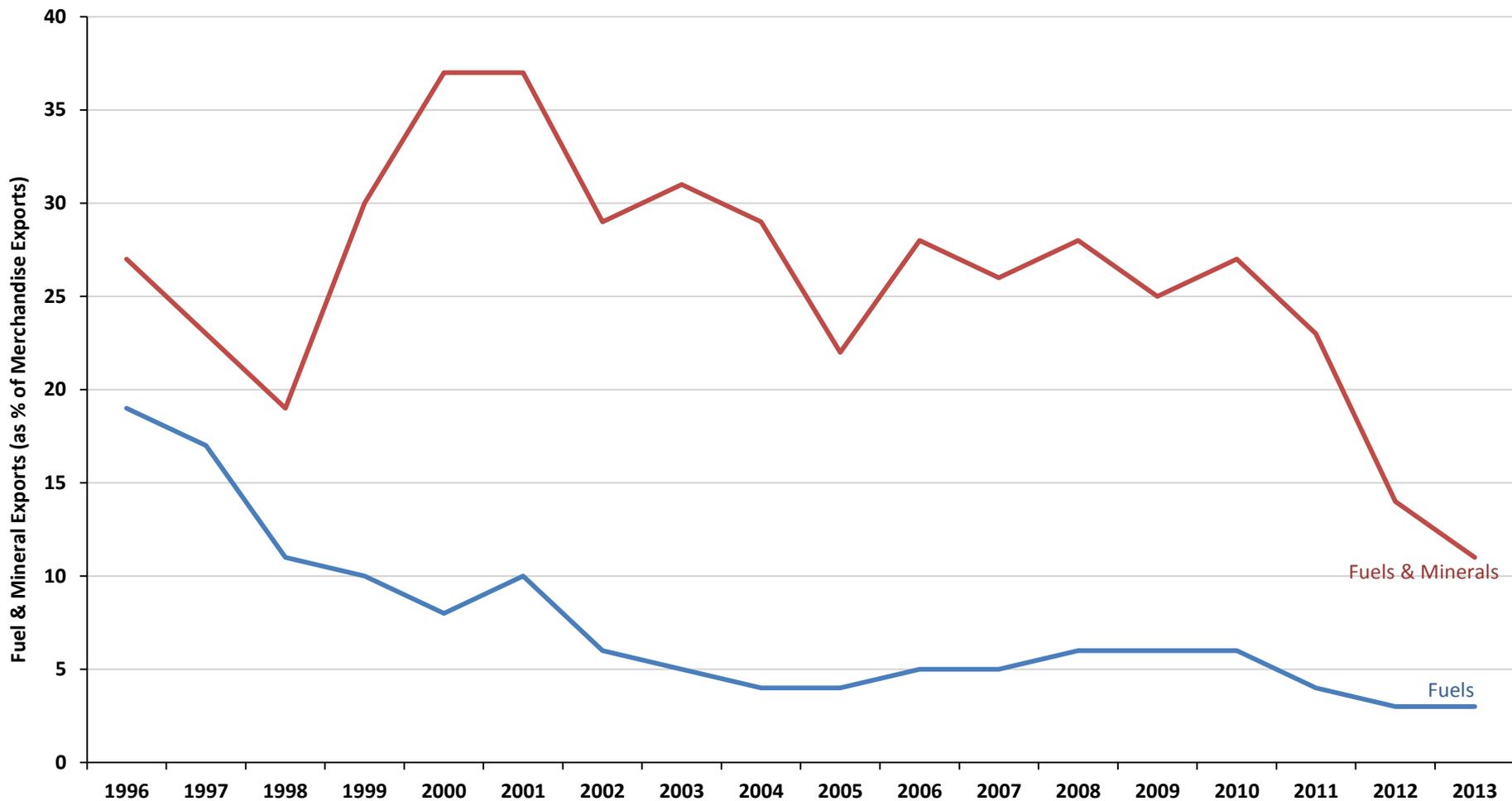




Figure 19

Georgia's Exports to Russia and the EU-27



World Bank, *World Development Indicators* (2012); EU-27 consists of Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden, United Kingdom.



Figure 20

Georgia's Direction of Exports to the World

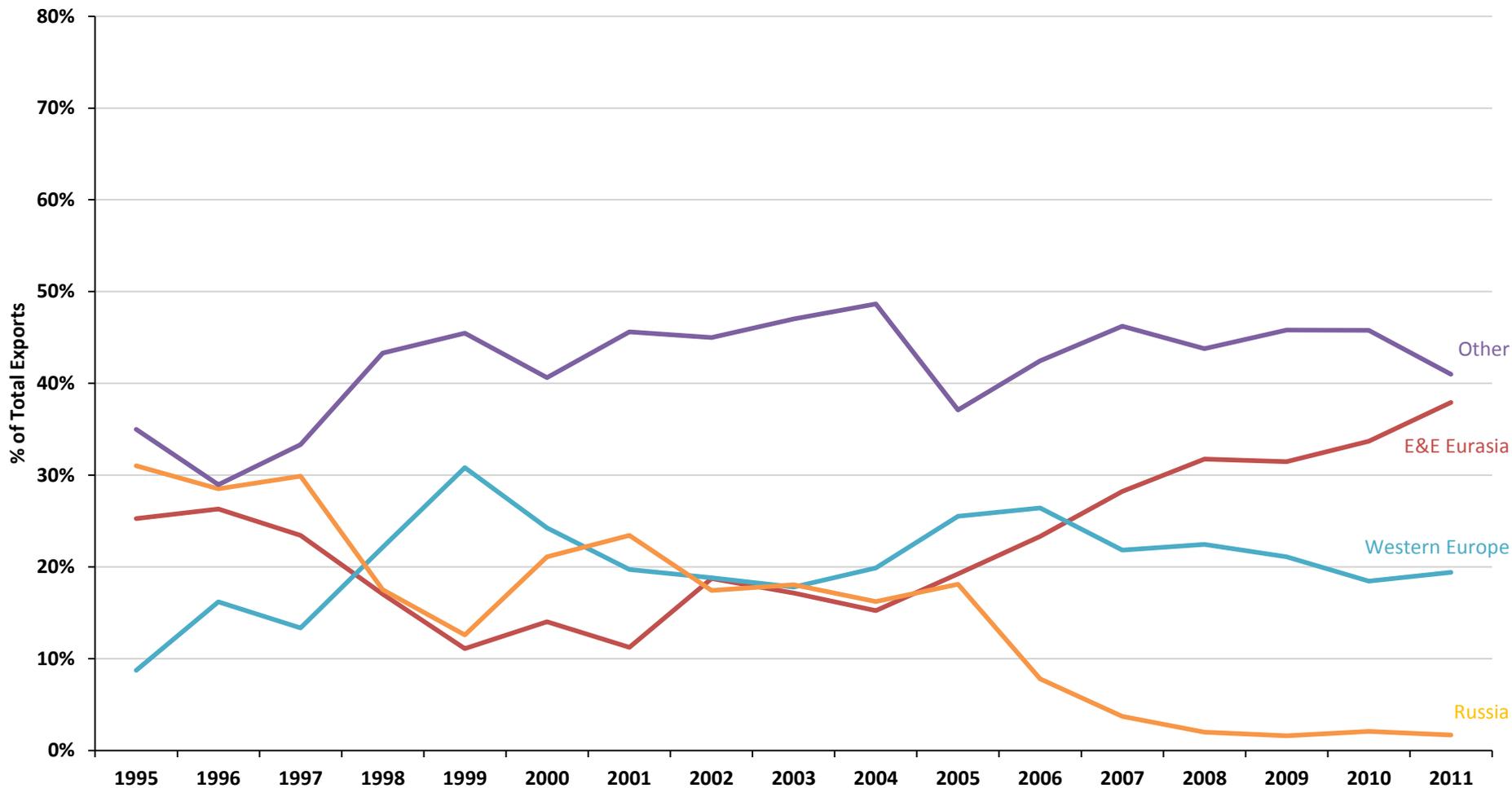
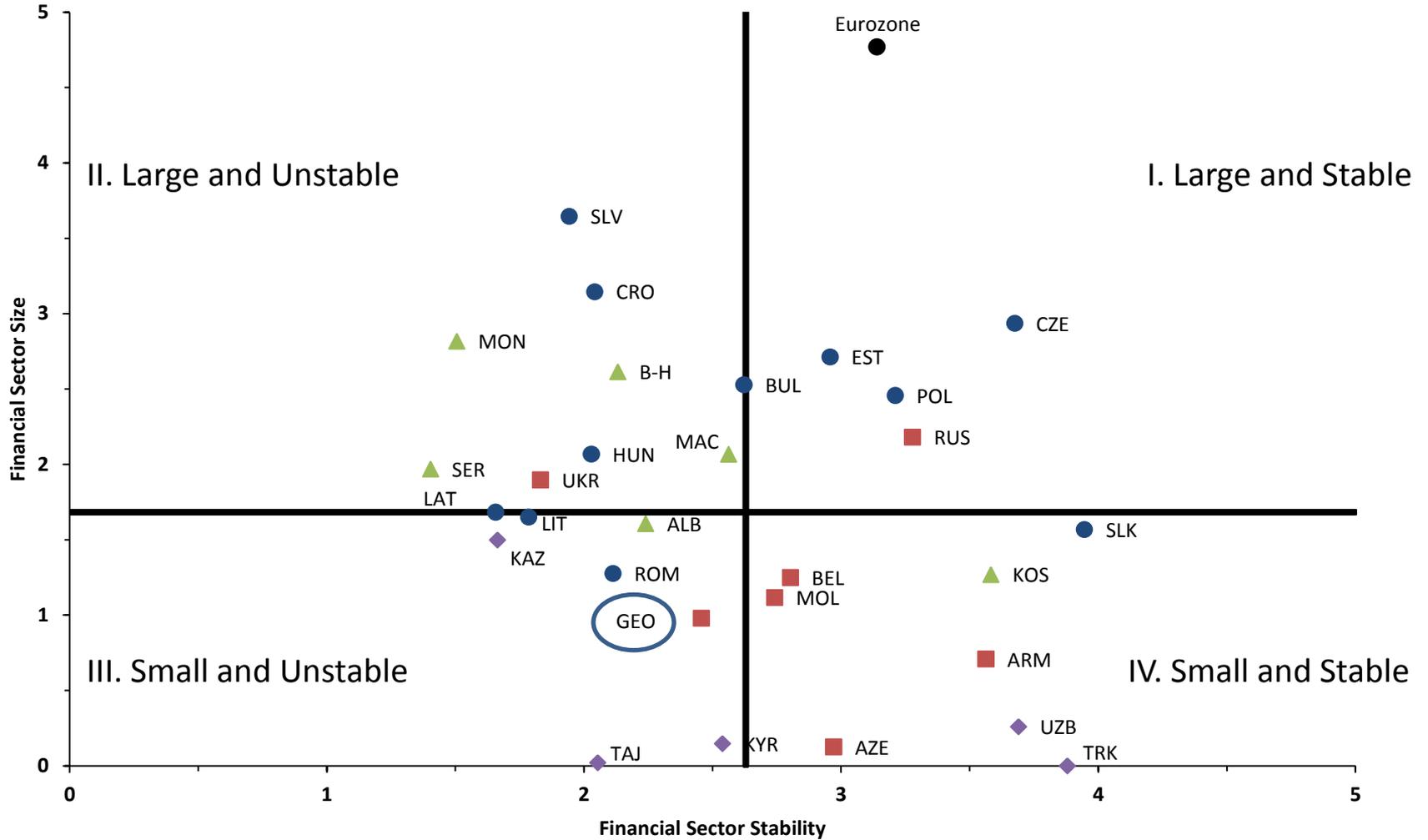




Figure 21

Financial Sector Size and Stability



Partners for Financial Stability Program, Deloitte Consulting, LLC for USAID (November 2013). Financial sector stability includes nine measures and the size of the financial sector, four measures. The quadrant parameters are determined by E&E average scores for financial sector size and stability.



Figure 22

Domestic Credit as a Percentage of GDP in E&E Eurasia and E&E Graduates

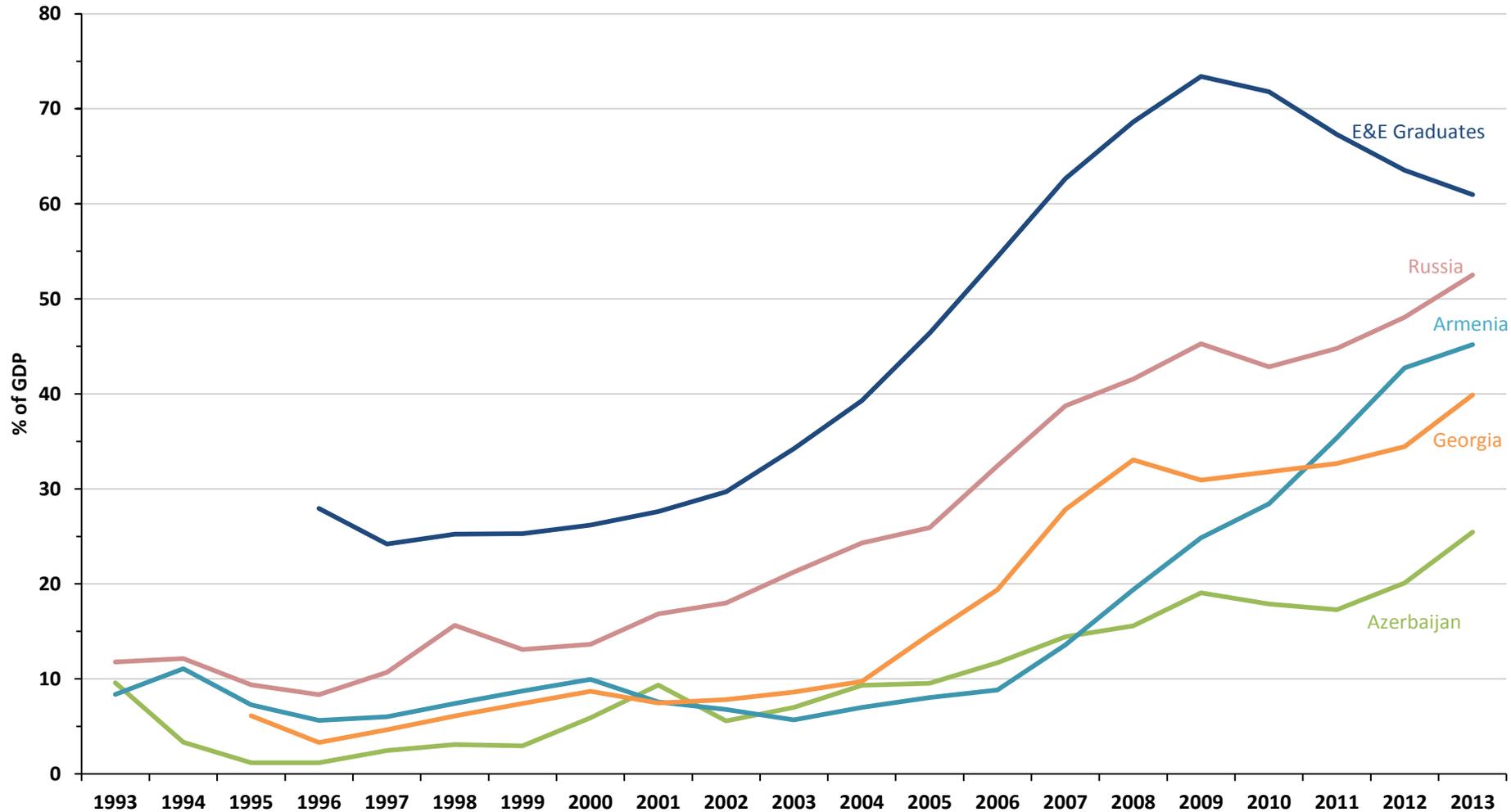




Figure 23

Unemployment Rates in E&E Eurasia

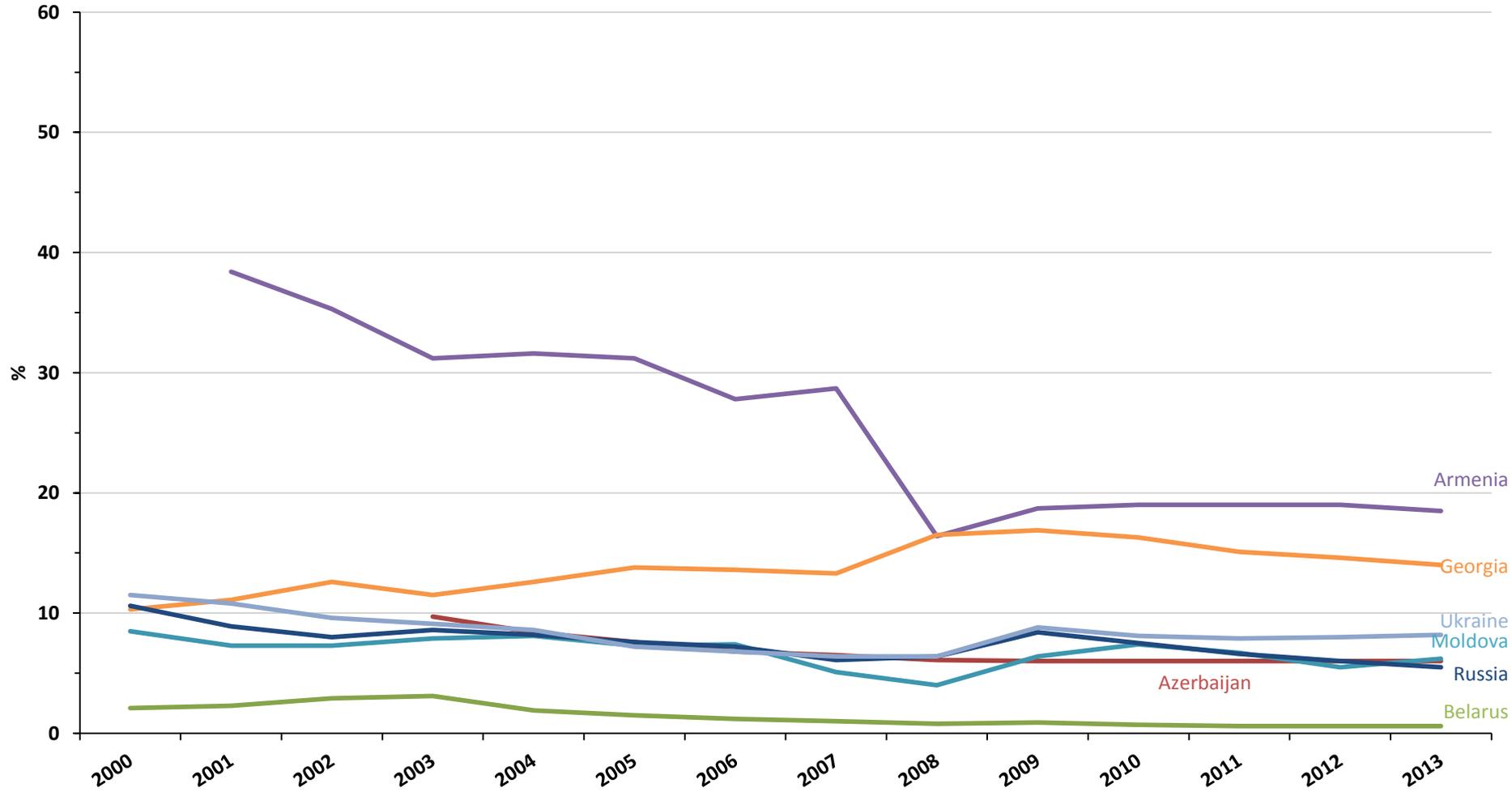
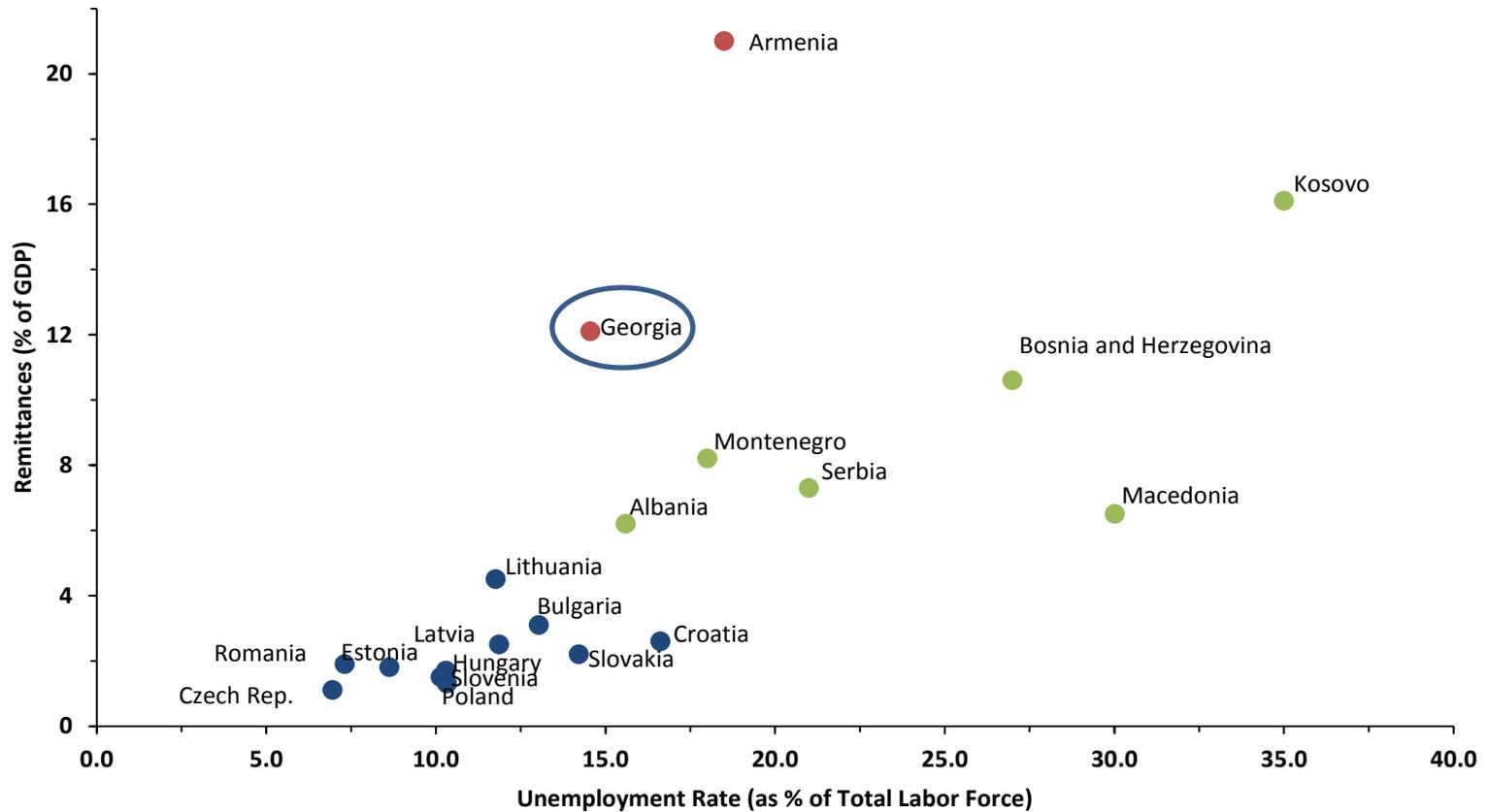




Figure 24

Remittances and Unemployment Rates in Central and Eastern Europe and Georgia and Armenia in 2013



Kovtun D. et al., *Boosting Job Growth in the Western Balkans*, IMF Working Paper, January 2014, World Bank, *World Development Indicators* (2015 online), IMF, *World Economic Outlook* (October 2014). Remittance data for Serbia is for 2012. Unemployment data for Kosovo and Montenegro are for 2011. All other data is for 2013.



Figure 25

Remittances in E&E Eurasia, 2000-2013

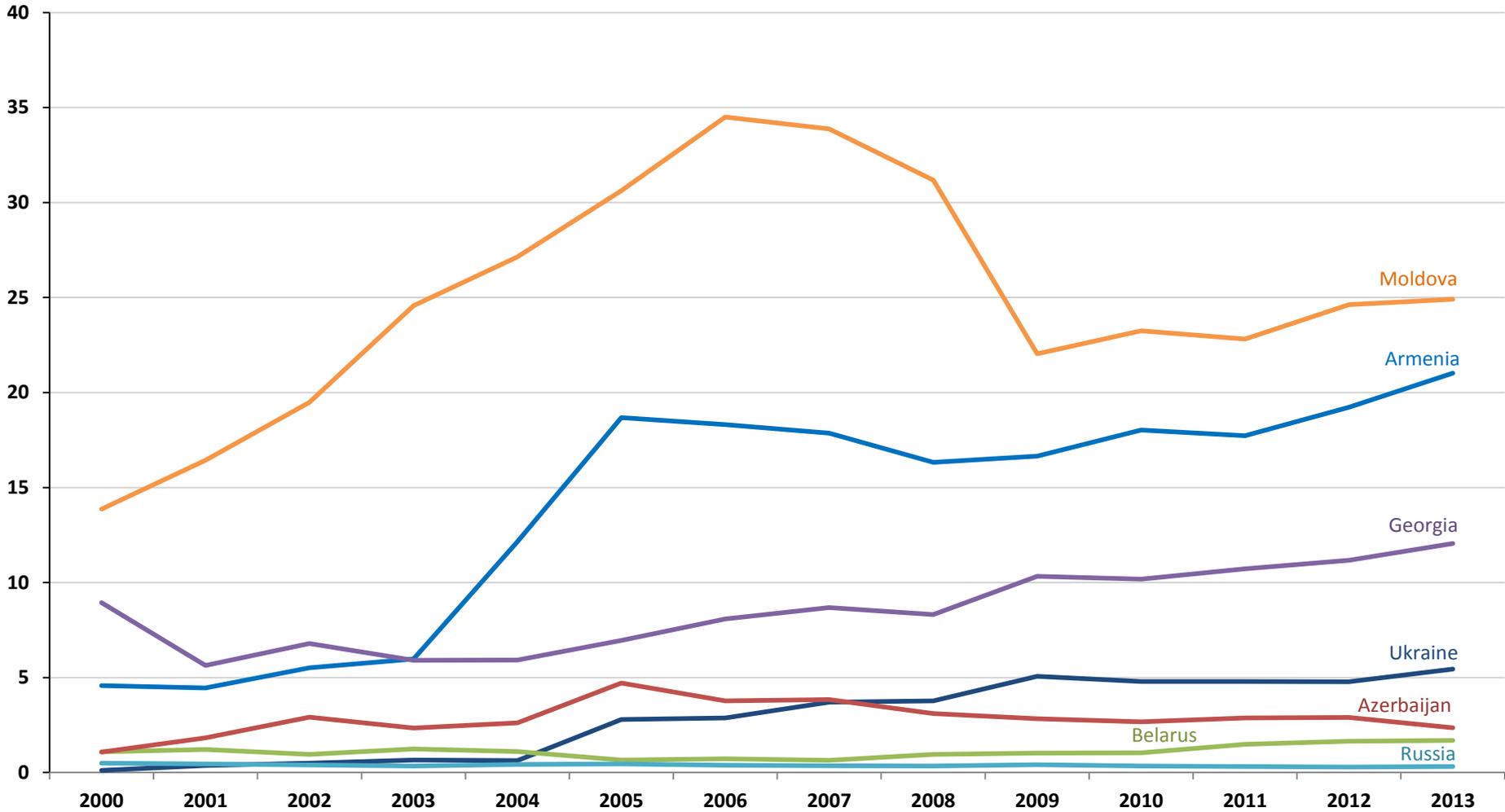
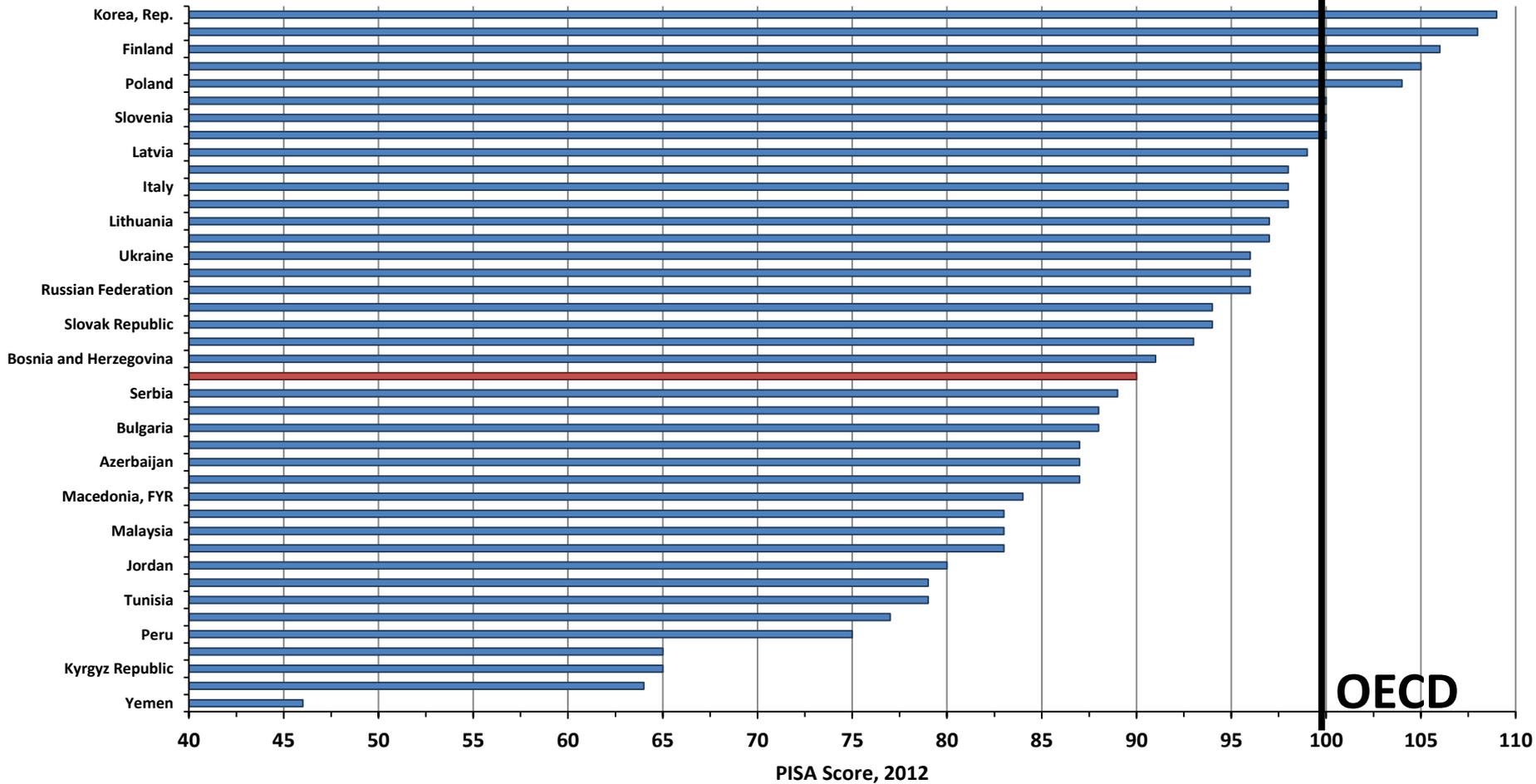




Figure 26

The Quality of Education (or Functional Literacy) in Select Countries in the World: Results from PISA 2012 Tests



OECD, Programme for International Student Assessment or PISA (2013). The PISA 2012 survey includes math, reading, science, and problem solving (including an assessment of financial literacy) among high school students. Scores are adjusted so that the OECD average = 100. Scores from earlier PISA tests or TIMSS or PIRLS tests used where PISA 2012 data are not available.



Figure 27

Life Expectancy at Birth

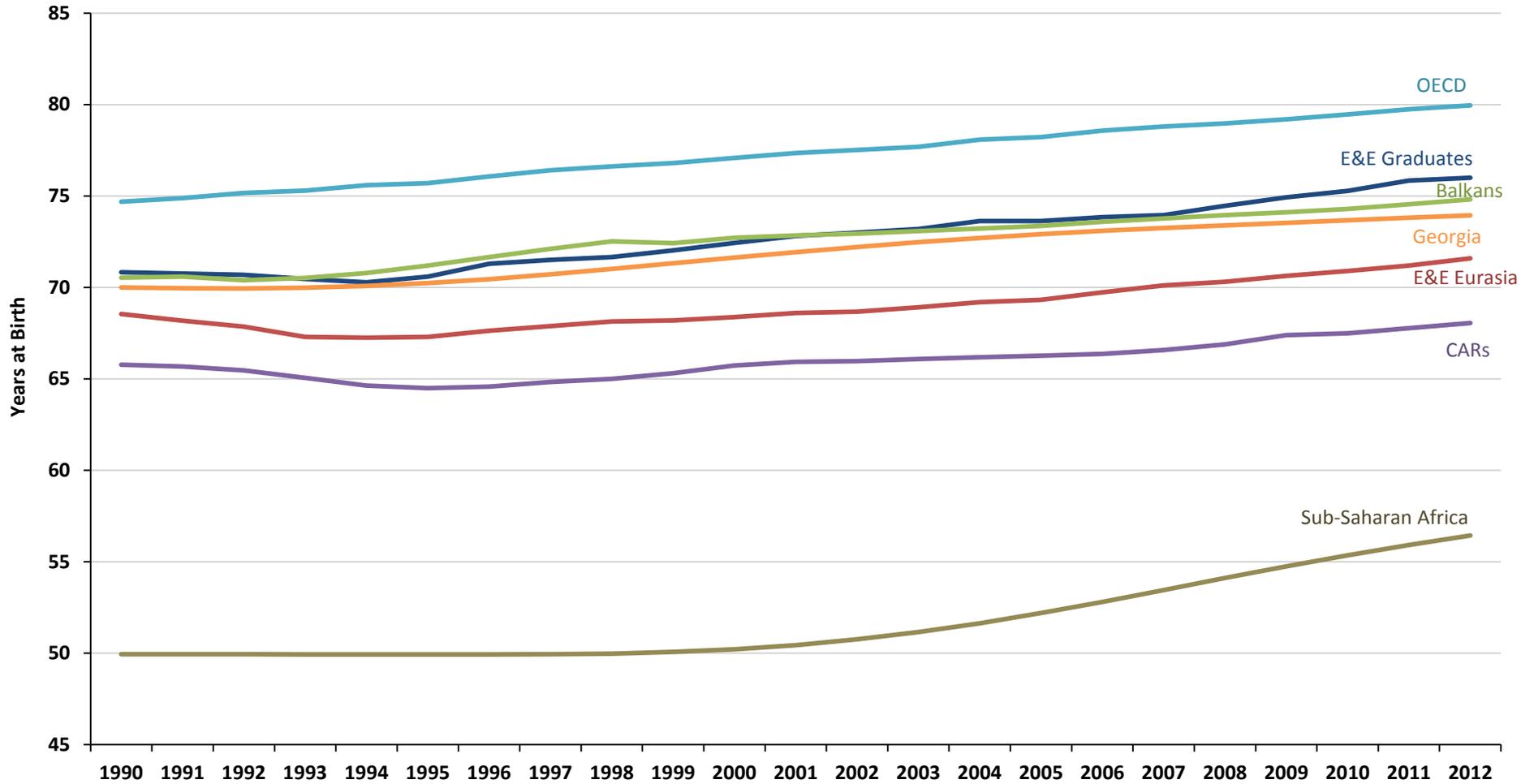




Figure 28

Country Data Analytics: Development Trends in Georgia

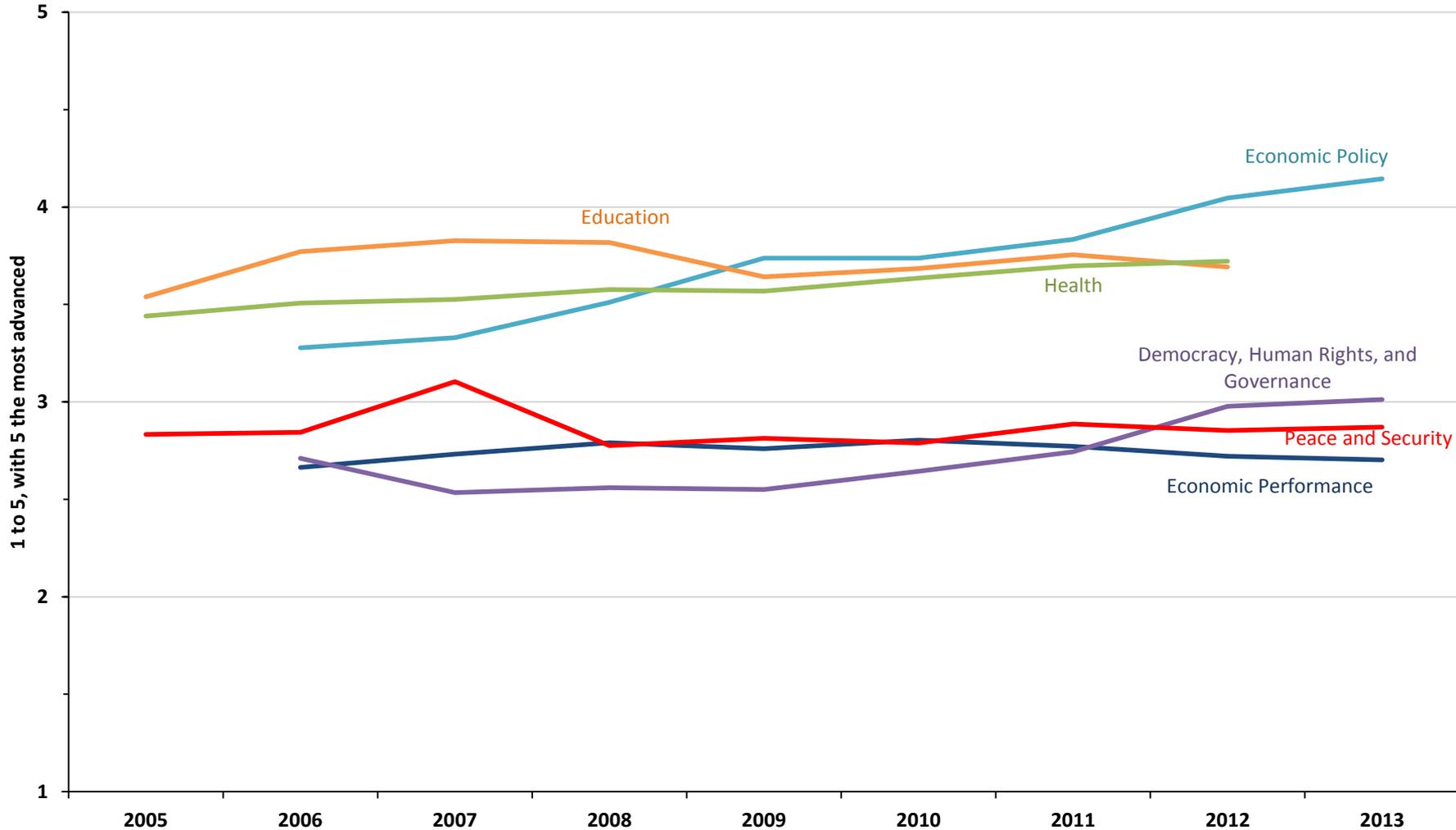
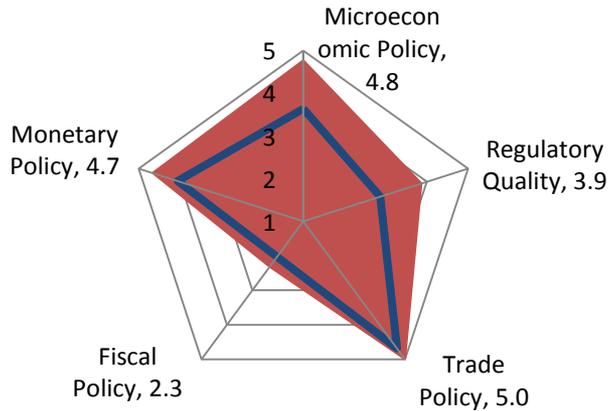




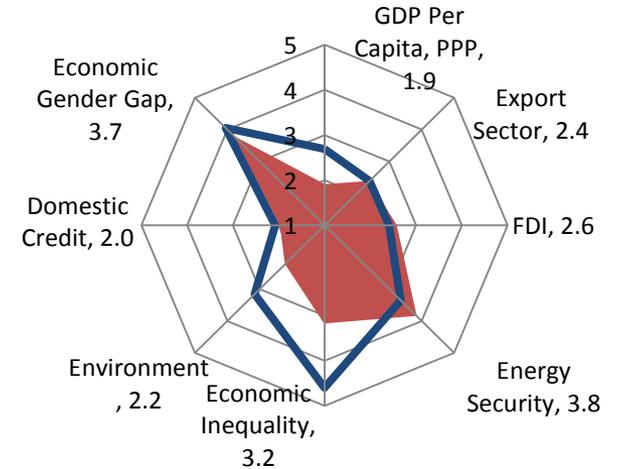
Figure 29

Country Data Analytics: Georgia's Development Profile (I)

Economic Policy, 2013

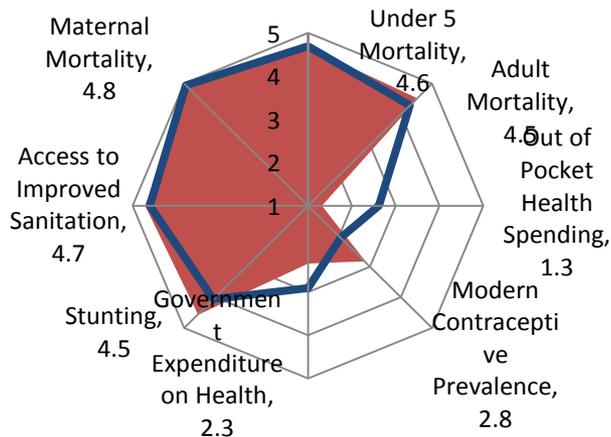


Economic Performance, 2013



E&E Countries Receiving
USG Assistance

Health, 2012



Education, 2012

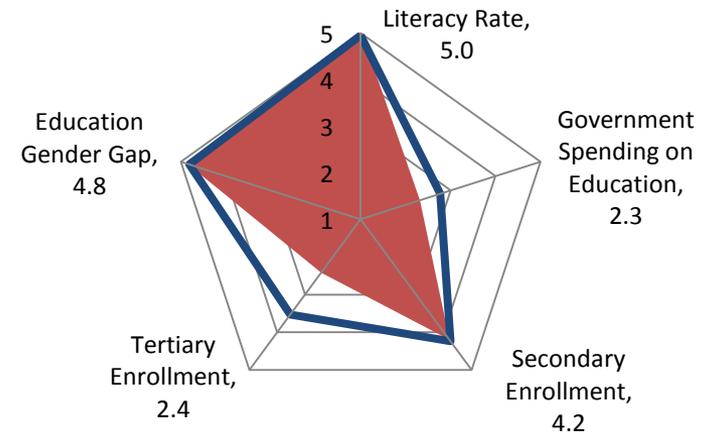
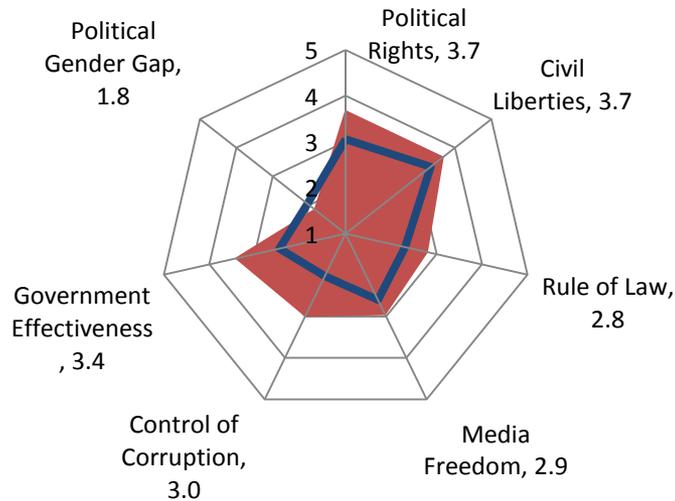




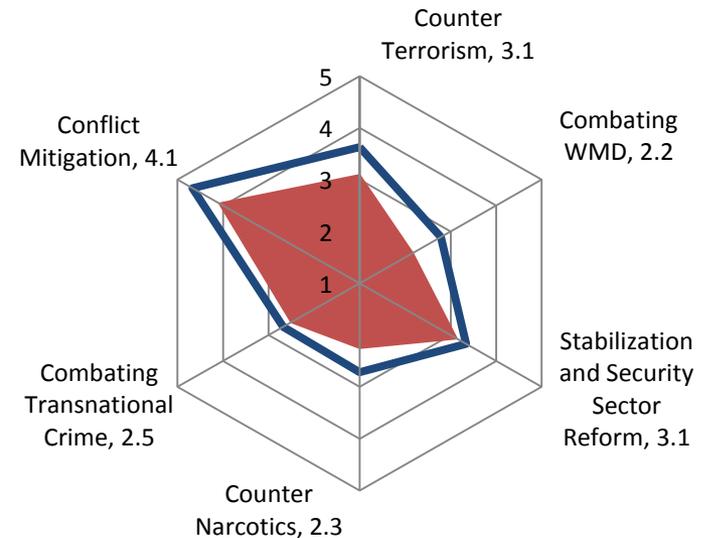
Figure 30

Country Data Analytics: Georgia's Development Profile (II)

Democracy, Human Rights, and Governance, 2013



Peace and Security, 2013



**E&E Countries Receiving
USG Assistance**



Figure 31

Peace and Security in the World, 2013

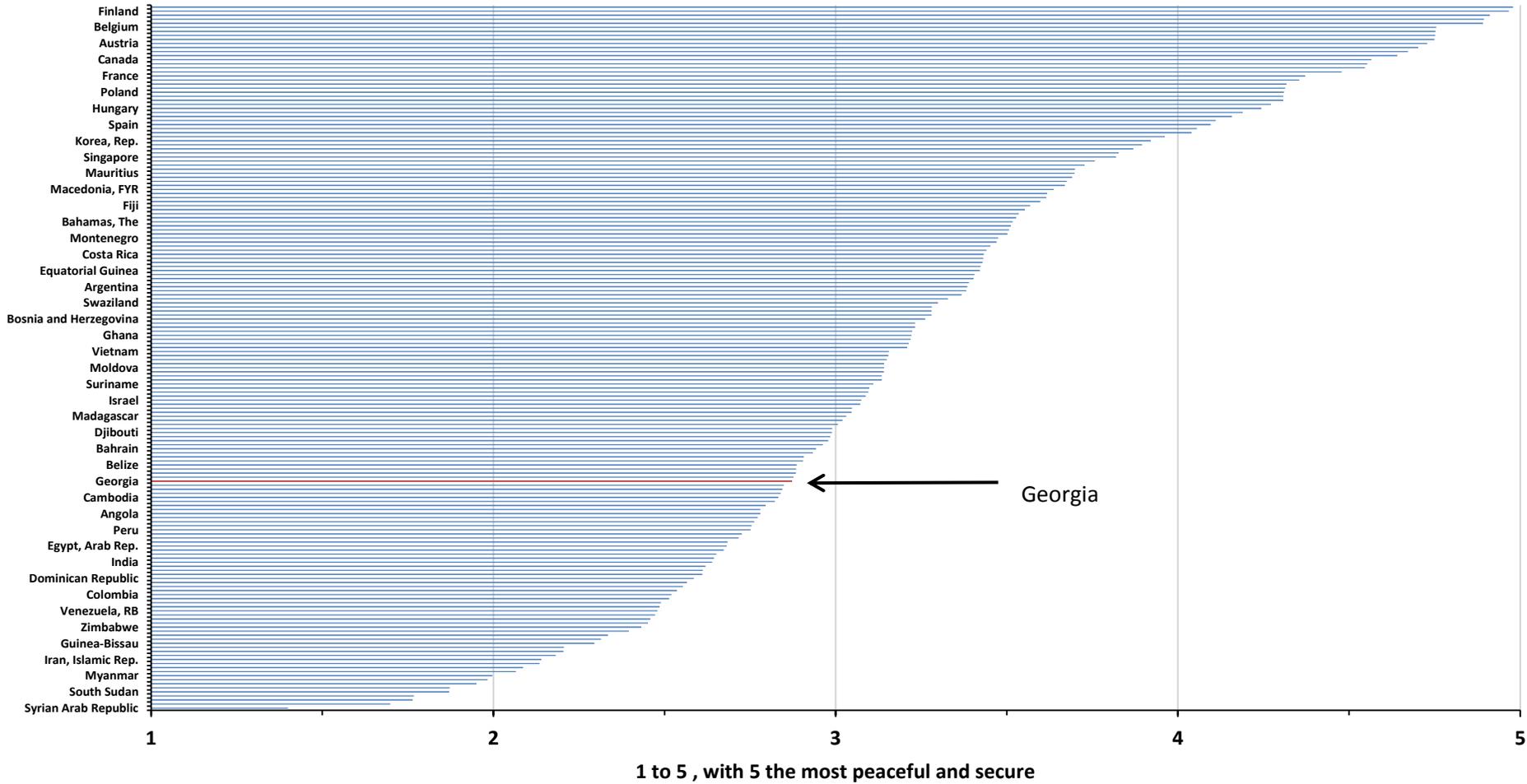




Figure 32

Peace and Security in Europe & Eurasia in 2013

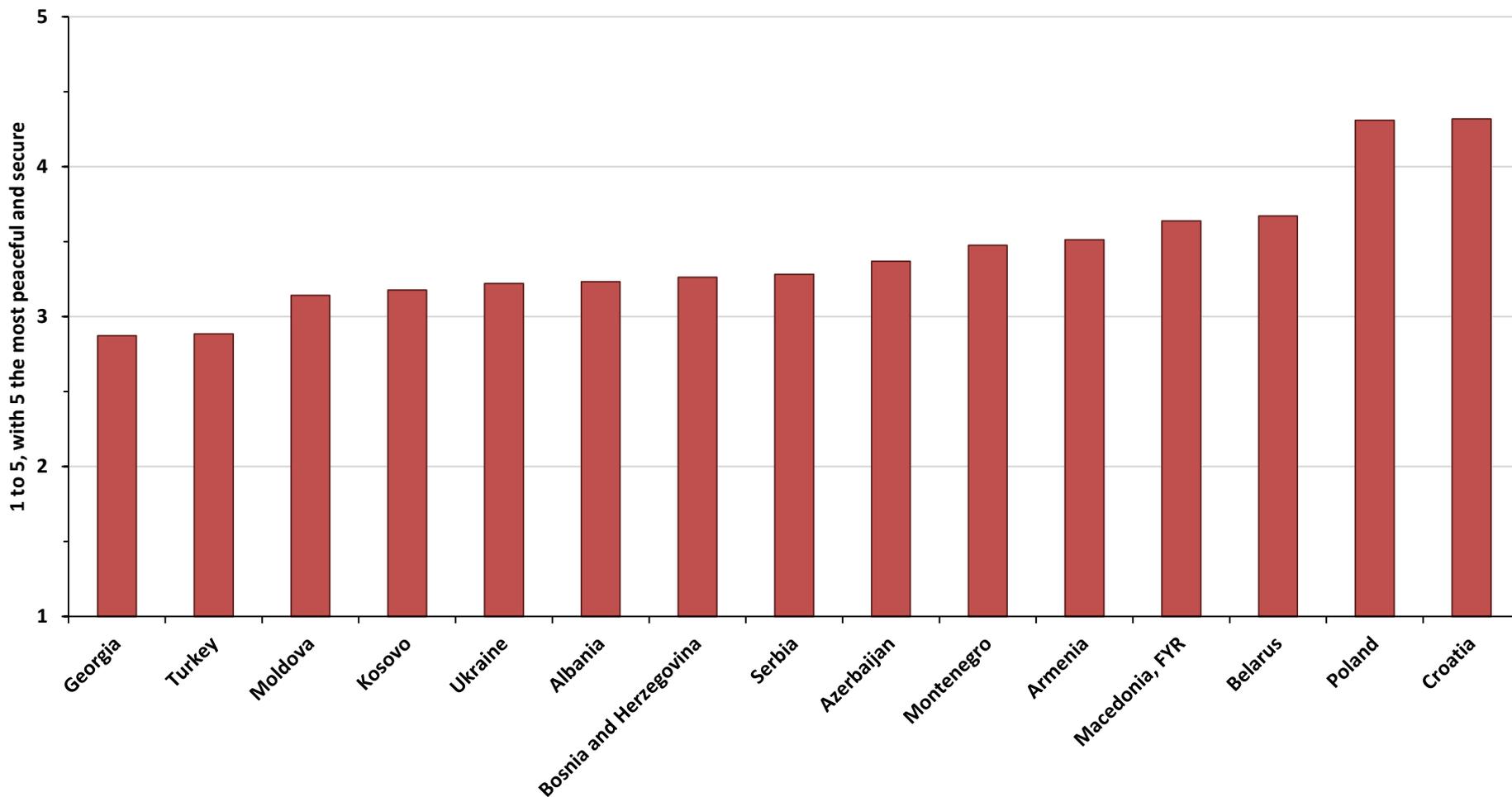




Figure 33

Peace and Security Index

