

Rising inflation in Georgia

In early June, the Statistical Office of Georgia stated that prices for basic foodstuffs in the country had risen by 30.7% compared to May 2010. The biggest increases were seen in the prices of fruit and vegetables (93.7% and 41.3% respectively). The price rises have worsened the financial situation of much of the population, and have contributed to the growth of social discontent. If the negative trend continues, we can expect that the level of social tension will rise with the approach of next year's parliamentary elections.

Social dissatisfaction remains high in Georgia. Its main causes are social issues, including unemployment (which officially stands at 16.3%, but in fact is certainly much higher) and an increase in the prices of basic products, mainly food and fuel. This dissatisfaction has also made the government reluctant to take significant steps towards democratisation in the country. However, the opposition parties' weakness and fragmentation mean that the negative social mood has no credible political articulation. The government camp is benefiting from this in an *ad hoc* fashion, which strengthens its dominance of the Georgian political scene.

In this situation – rising prices, stagnation in the area of political reform, and the upcoming parliamentary elections – a continuing rise in social tensions seems likely. <MMat>