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Eka Beselia:

“Crime rates have not increased even after such an unprecedented amnesty releasing up to 60% of the prisoners. We were expecting the situation to change; however, to our surprise, the crime rate has decreased.”



Tamar JIKIA
FactCheck

On 25 July 2014, while discussing the new cabinet in parliamentary committees, MPs and government members also discussed crime statistics in the Legal Issues Committee. Eka Beselia stated: “Crime rates have not increased even after such an unprecedented amnesty releasing up to 60% of the prisoners. We were expecting the situation to change; however, to our surprise, the crime rate has decreased.”

FactCheck took interest in this statement and verified its accuracy.

The Georgian Law on Amnesty, referred to by Eka Beselia, was published on 28 December 2012. Therefore, we shall start the assessment of crime statistics from January 2013. FactCheck has been researching crime statistics since August 2013; however, we could not finish the article due to a lack of comprehensive data from the Ministry of Internal Affairs of Georgia. FactCheck wrote about this problem earlier in the year.

In November 2012, the then Prime Minister of Georgia, Bidzina Ivanishvili, stated that the release of the prisoners would somewhat worsen the crime situation in the country. Later, in March 2013, the Netgazeti agency received detailed crime statistics from the Ministry of Internal Affairs. According to the data, crime rates increased by 59.7% in November 2012, by 40.7% in December, by 19.6% in January 2013 and by 15.7% in February – as compared to the respective months of 2011 and 2012.

On 19 March 2013, a journalist of the Netgazeti agency presented the aforementioned data to the then Minister of Internal Affairs of Georgia, Irakli Gharibashvili. The Minister said that he had no information about such data and would publish the statistics at the end of the month.

At the beginning of April 2013, the Ministry of Internal Affairs published the report of the first quarter of 2013. The statistics included the data from the investigation groups of the Ministry itself, the Prosecutor's Office and other government structures. According to the data, the number of registered crimes increased by 1,675 (16.7%) in January-March 2013 as compared to the same period of 2012.

Remark: Statistics were prepared based upon a new methodology as of 8 April 2013.

The statistics include the data from the investigation

groups of the Ministry of Internal Affairs, the Prosecutor's Office and other government structures.

The first part of the remark says that the statistics were prepared based upon a new methodology. This new methodology is the electronic recording system of criminal proceedings. According to the Ministry, the Integrated Criminal Case Management System (so-called CRIMCASE) has been enacted since January 2013. The former Head of the Analytical Department of the Ministry of Justice of Georgia, Otar Kakhidze, does not agree with the Ministry of Internal Affairs and says that the system was enacted in May 2011.

In April, the Ministry of Internal Affairs published information about the differences between the old and new systems:

Suspended criminal proceedings, regardless of the grounds for suspension, were not reflected in the unified system database before 2013.

In the same period, the indictment document was the only ground to declare a crime case solved. Since the registration system lacked the mechanism of recognition of a case as solved without the component of guilt, they were not included in the unified consolidated report in order to prevent an unjustified increase of the number of unsolved cases.

According to the Ministry, as the new methodology has been in use since 2013, it should be taken into consideration that direct comparison of the data calculated by means of different methodology during the similar reporting period in 2012, 2011 and 2010 is not theoretically reasonable and does not provide a definite indication of trends and dynamics.

The report of the Ministry also includes a chart depicting the statistics of the same period calculated using the old methodology.

Remark: Statistics were prepared based upon the old methodology as of 8 April 2013.

The old methodology calculations also show that the number of registered crimes increased by 1,034 (10.3%) in January-March 2013 as compared to the same period of the previous year. Hence, the logical conclusion is that, regardless of the methodology, the number of recorded crimes was higher in January-March 2013 than in the same months of 2012.

On 25 July 2014, the Minister of Internal Affairs of Georgia also commented upon the increase in criminal activities after the amnesty. Mr Tchikaidze stated: “We had problems after the amnesty as the crime rates

increased; however, I can assure you that as of now, the criminal situation is under complete control.” As we can see, the Minister of Internal Affairs himself confirms the increase in criminal activity after the amnesty.

After March 2013, the Ministry of Internal Affairs did not publish the crime statistics until July 2013. The data was published on 7 July 2013; however, it is a bit ambiguous as to whether or not the statistics include the data from all investigative bodies of the government structures or only from the Ministry of Internal Affairs. According to the data, there were 4,126 crimes less in 2013 as compared to the same period of 2012 which constitutes a 20% decrease in criminal activity.

Various non-governmental organisations (the Institute for Development of Freedom of Information (IDFI), JumpStart Georgia) and media (Netgazeti, Tabula and Rustavi2) expressed their doubts about the statistics and requested detailed data from the Ministry. The requested comprehensive data was provided in May and June 2014 only. The statistics received were quite different from the data published in 2013; however, the Deputy Minister of Internal Affairs, Levan Izoria, pointed out that the two statistics are different as the 2013 quarterly report included the data from all investigative bodies of the government structures (the Ministry of Internal Affairs, the Main Prosecutor's Office, Financial Police, etc.) while the 2014 statistics were based upon the data of the Ministry of Internal Affairs alone.

According to the 2014 statistics, the number of recorded crimes has decreased from January to May and from January to June 2014 as compared to the same periods of 2013. As there still are doubts about the credibility of these statistics, FactCheck is looking for additional information. In order to obtain information and make it available for the public, we are also trying to meet the Deputy Minister of Internal Affairs, Mr Izoria.

FactCheck also contacted the author of the statement, Eka Beselia, who told us that her statement was based upon the statistics published by the Ministry of Internal Affairs in May and June 2014. In order to assess the influence of the amnesty upon crime rates, one needs to examine the criminal situation before and after the amnesty. As pointed out earlier, the statistics published by the Ministry in May and June 2014 include data both from 2013 and 2014. As the general amnesty took place in December 2012, it would

Time Period	2012			2013			+ Increase - Decrease
	Overall Registered	Solved	Percentage of Solved Crimes	Overall Registered	Solved	Percentage of Solved Crimes	
January	3,266	733	22.44%	3,927	972	24.75%	+661 +20.24%
February	3,300	710	21.52%	3,818	826	21.63%	+518 +15.7%
January to February	6,530	1,712	26.22%	7,610	2,169	28.5%	+1080 +16.54%
March	3,525	773	21.9%	4,396	1,124	25.5%	+871 +24.7%
January to March	10,033	2,890	28.8%	11,708	3,837	32.7%	+1,675 +16.6%

Time Period	2012	2013	+ Increase - Decrease
	Overall Registered	Overall Registered	
January (101 cases)	3,266	3,826	+560 +17.1%
February (81 cases)	3,300	3,737	+437 +13.2%
January to February (276 cases)	6,530	7,334	+804 +12.3%
March (203 cases)	3,525	4,193	+668 +18.9%
January to March (641 cases)	10,033	11,067	+1,034 +10.3%

be sensible to compare the 2012 and 2013 crime rates. Therefore, for our conclusion to be more precise, we assessed the criminal situation immediately after the amnesty (comparing the first quarter of 2013 to the last quarter of 2012).

It should also be pointed out that it is impossible to compare the time period after the first quarter of 2013 as we do not have comprehensive statistics of these months. The data published by the Ministry of Internal Affairs in July 2014 once again makes it clear that the numbers published by them in different periods do not correspond to each other. As

pointed out earlier, the 2013 quarterly report of the Ministry included the data from all investigative bodies of government structures and Levan Izoria said that this was the reason why the numbers were different from those of the 2014 data. In July, August, September, October, November and December 2013 the Ministry published the overall crime statistics so it was unclear whether or not these were the data of the Ministry alone or other investigative structures as well. According to 2013 statistics, 16,590 cases of crime were recorded from January to July. The statistics published in July 2014 also fea-

tured the 2013 data for comparison. According to these data, 18,170 (and not 16,590) cases of crime were recorded from January to July 2013. If the 2013 statistics included the data from all investigative structures, the numbers must have been higher than that of the 2014 report as the latter represents only the data of the Ministry of Internal Affairs. If the 2013 report included only the data from the Ministry alone, it must have coincided with the data published in 2014. As we can see, the statistics of the first quarter of 2013 are problematic and are not recommended for the analysis of the amnesty results.

CONCLUSION

In the given situation, the subject of FactCheck's research is not the crime situation in Georgia today. We still continue our study of this issue.

Eka Beselia's statement concerned the situation of the immediate aftermath of the general amnesty. According to the data provided by the Ministry, crime rates increased in the first three months of the amnesty. The number of crimes grew by 20.2% in January, 15.7% in February and 24.7% in March. The Ministry did not publish the data for the next four months. According to the data published in July 2013, the crime rates decreased by 20% as compared to the same period of the previous year. Even though doubts still remain about the credibility of these data, it is clear that the crime rates increased in the first three months of the amnesty.

FactCheck concludes that Eka Beselia's statement: “Crime rates have not increased even after such an unprecedented amnesty releasing up to 60% of the prisoners. We were expecting the situation to change; however, to our surprise, the crime rate has decreased,” is FALSE.



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FALSE

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Davit Onoprishvili:

“The economic growth in our region was substantially reduced in 2013. This does not only include the South Caucasus, Commonwealth of Independence States members and former Soviet Union states but Eastern Europe in general. I wouldn’t even mention the European Union where the economic growth was under 1% or didn’t occur at all.”

Mariam CHACHUA
FactCheck

On 23 July 2014, while delivering a speech at a session of the Parliament, Davit Onoprishvili stated: “The economic growth in our region was substantially reduced in 2013. This does not only include the South Caucasus, Commonwealth of Independence States members and former Soviet Union states but Eastern Europe in general. I wouldn’t even mention the European Union where the economic growth was under 1% or didn’t occur at all.”

FactCheck took interest in the economic dynamics of the region and verified the accuracy of the aforementioned statement.

By the estimation of the International Monetary Fund (IMF), the world economy grew by 3.2% in 2013 which is a normal rate. As for Eastern Europe and the Commonwealth of Independent States, a decline in the economic growth rates was observed in the majority of the states in 2013. According to the data of the International Monetary Fund, the economic growth in the members of the Commonwealth of Independent States was equal to 3.4% in 2012 while it reduced to 2.2% in 2013. In Central and Eastern Europe a 2.8% economic growth was observed in 2013 which was two times as much as in 2012 (1.4%). The chart below reflects the economic growth of the Eastern European countries in 2012 and 2013.

The GDP growth rate was slightly reduced in most of the members of the Commonwealth of Independent States; however, there was a sharp increase in the GDPs of Moldova and Kyrgyzstan. The GDP growth rate reduction was particularly apparent in Armenia and the Russian Federation. The GDP growth rate reduced from 7.2% to 3.5% in Armenia in 2013 and from 3.4% to 1.3% in Russia.

The economic growth in the European Union member states was under 1% in 2013 (Source), as stated by Mr Onoprishvili. However, the growth rates in the developing countries of Europe were

slightly higher and amounted to 2%. It should also be pointed out that the reduction in the GDP growth rates of the highly developed countries is a normal process while the economies of the developing countries have higher growth rates as compared to the developed countries. Georgia is among the list of countries with developing economies. Therefore, comparing the GDP growth rates of Georgia with those of the developed countries would be incorrect.

A sharp reduction in the growth rates of the Georgian economy was observed in 2013. The GDP real growth rate was equal to 3.2% which was almost two times less than that of the previous year (6.2%). It should also be pointed out that by its economic growth rates Georgia ranked 41st among the 153 developing countries of the world in 2012 while in 2013 it was down to 92nd position due to the sharp reduction in GDP growth. The GDP real growth was the lowest in the second and third quarters of 2013 – 1.5% and 1.4%, respectively. It increased to 7.2% in the last quarter of the year. According to the Ministry of Finance Budget Implementation Report of 2013, the main reasons for the reduction of economic growth rates were as follows:

Political instability
Undesirable dynamics of the neighbouring states’ economies

Reduction of state investments

According to the National Statistics Office of Georgia (GeoStat), the foreign trade turnover of Georgia was equal to USD 10,793 million in 2013 which was 5% more than in 2012. In addition, export increased by 22.4% and constituted 36.4% of the total foreign trade turnover. The top three export partners of Georgia in 2013 were Azerbaijan (24.4%), Armenia (10.9%) and Ukraine (6.6%). The chart below depicts the export from Georgia to its neighbouring countries in 2012 and 2013.

As is clear from the chart, export to the neighbouring countries increased in 2013. It should also be pointed out that GDP growth rates increased in Azerbaijan and Turkey in 2013 and amounted to 5.8% and 4.3%, respectively. As for Russia, Armenia and Ukraine,

in spite of the reduction of economic growth rates, export to these countries still increased in 2013. Hence, we can conclude that the economic dynamics of the neighbouring countries have not influenced the foreign trade of Georgia.

According to the annual report of the National Bank of Georgia, the main reason for the economic growth reduction was the fall of domestic demand which in its part was due to political instability. Even though domestic demand and private sector activities were increased in the last quarter of 2013, the main economic growth of 2013 was still due to foreign demand.

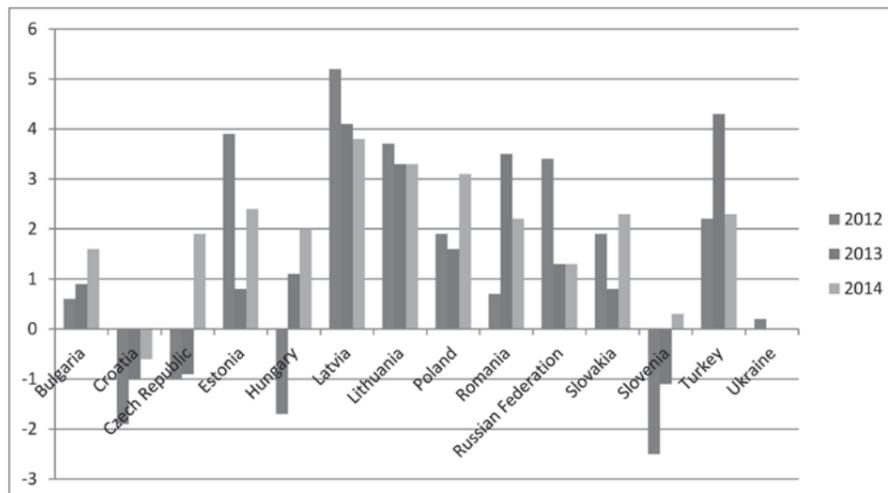
The Policy and Management Consulting Group (PMCG) study also suggests that political instability was the main reason for the economic decline of 2013. According to the study, the legislative changes and the predictable actions of the government (such as the suspension on the practice of selling real estate to foreigners, the adoption of the new labour code and defensive strategies in international trade) facilitated the creation of an unstable environment for business which negatively influenced the inflow of investments into the country.

According to the National Statistics Office of Georgia, the total amount of foreign direct investments was equal to USD 914.4 million which was USD 2.8 million more than in 2012. The total formation of the main capital decreased by 12.2% in 2013 and amounted to GEL 6,653 million.

The table below depicts the formation of the GDP using the expenditure approach.

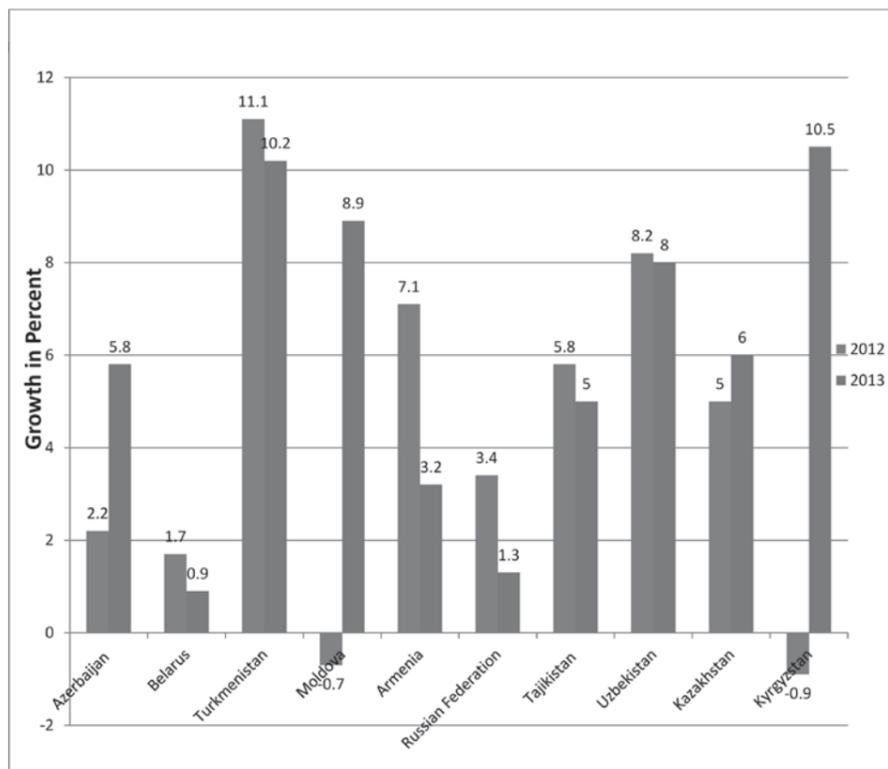
As the table makes clear, the domestic demand increased slightly in 2013 as compared to the previous year and the formation of total capital was significantly reduced. The reduction was observed in the fields of construction (-10.6%), mining (-0.1%) and communal, social and personal services (-0.8%). As for the other fields, a sharp increase was observed in agriculture (9.3%) and industry (7.2%). However, in most of the fields growth was significantly lower than the previous year.

Chart 1: Economic Growth in the Eastern European Region in 2012 and 2013



Source: International Monetary Fund

Chart 2: Economic Growth in the Commonwealth of Independent States in 2012 and 2013



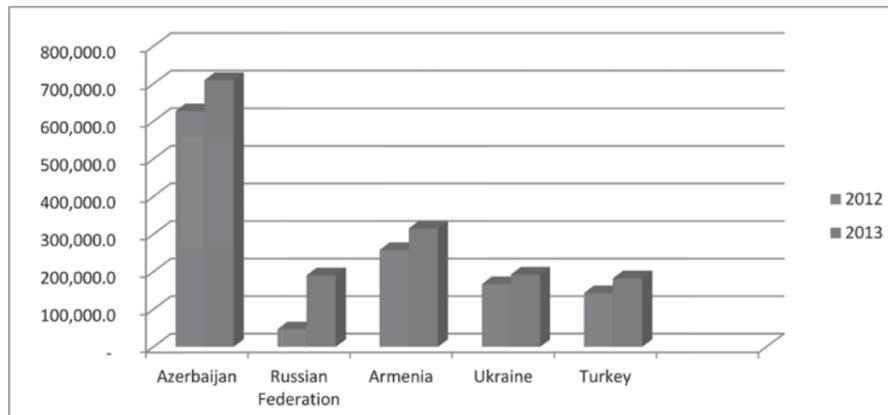
Source: National Statistics Office of Georgia

Chart 3: Export to the Main Trade Partners

Expenditure Categories	2012	2013	Nominal Growth
Total Consumption	23,507.9	23,532.6	0.11%
+ Formation of Total Capital	7,575.4	6,652.9	-12.18%
+ Export of Products and Services	9,983	11,986.6	20.7%
- Import of Products and Services	15,124.3	15,473.0	2.31%
+ Statistical Difference	225.3	125.8	
GDP at Market Price	26,167.3	26,824.9	2.51%

Source: International Monetary Fund

Table 1: Nominal GDP Calculated Using the Expenditure Approach (GEL million)



Source: National Statistics Office of Georgia

CONCLUSION

The world economic growth reduced from 3.5% to 3.2% in 2013. Low economic growth was observed in the Central and Eastern European regions as well. Economic growth in the European Union was less than 1%. The growth rate was higher in the developing countries but still lower than in 2012. However, it should be noted that the majority of the European countries are highly developed and, therefore, low economic growth is characteristic to this region. As for Georgia, it is a developing country and the negative effects of economic decline are significantly higher as compared to the developed countries.

It should also be noted that the reduction of economic growth in 2013 was mostly due to the decrease of domestic demand caused by the political instability following the government change. This is further confirmed by the dynamics of the foreign direct investment which amounted to USD 914.4 million, growing by USD 2.8 million only. The calculation of the nominal GDP using the expenditure approach also showed that the domestic demand was slightly higher (0.1%) than that of the previous year. The formation of total capital was significantly reduced as shown by the reduction of investments in the country.

As for the foreign trade, a sharp increase in export (22%) overshadowed the negative effect of the reduction of investments and the GDP grew depending upon the foreign trade (conclusion confirmed by the annual report of the National Bank of Georgia and the PMCG study). Hence, in spite of the economic growth reduction in the region, the unstable environment inside the country – and not the situation in the region – was the main reason for a GDP growth reduction in Georgia.

We conclude that Davit Onoprishvili’s statement: “The economic growth in our region was substantially reduced in 2013. This does not only include the South Caucasus, Commonwealth of Independence States members and former Soviet Union states but Eastern Europe in general. I wouldn’t even mention the European Union where the economic growth was under 1% or didn’t occur at all,” is HALF TRUE.

HALF TRUE



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