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GEORGIA

SUCCESS STORY

Laid-off Workers Get a Break

Georgian State TV sets up assistance program for laid-off workers



Lali Gegeneva, right, who was laid off from Georgian State TV in 2004, is notified of her selection in the State TV assistance program by Human Resources Manager Marina Kuchikidze.

Having seen USAID successfully administer winter heating assistance to vulnerable populations throughout Georgia, State TV reached out to USAID for help in developing a fair and transparent way to compensate the most vulnerable of their laid-off workers.

In 2004, the Georgian State TV Company was forced to downsize its workforce dramatically, laying off about half of its employees. In a country already suffering from high unemployment, and with few unemployment benefits available from the government, these layoffs left many former employees and their families in poverty. Admirably, employees that retained their jobs with State TV volunteered to set aside three percent of their salaries to support a fund that would assist the neediest of their former coworkers. But one question remained: how would they identify the neediest families?

Having seen USAID successfully administer winter heating assistance to vulnerable populations throughout Georgia, the television company reached out to USAID for advice. They asked for help in developing a fair and transparent way to ensure that the fund money, which was still not enough to support all of the laid-off workers, would be allocated to the families most in need. Because it can be difficult to assess the economic wellbeing of people in a transitional economy like Georgia's, USAID developed a "proxy-means test" designed to gather information about a variety of factors related to economic wellbeing, including: household composition (sex, age, health, education); housing quality (including availability of electricity, gas, and water); income and assets; and food adequacy.

Working closely with local researchers, USAID developed questions to measure each factor and created an "Index of Economic Wellbeing." Over 700 laid-off workers were interviewed in 2004, and survey responses were used to rank each household according to the index. Based on the scores, State TV selected 120 former employees to receive assistance in the amount \$55 per month. By the end of 2005, more than \$72,000 of donated funds had reached these employees and their families. Equally important, the USAID-designed process for selecting beneficiaries was perceived as fair and transparent by both current and former State TV employees and their families.