Georgia Country Gender Assessment

Poverty and Equity Global Practice

2016
FISCAL YEAR
January 1 – December 31

CURRENCY EQUIVALENTS
Currency Unit = Georgian lari (GEL)
1GEL = US $ 0.46
US$ 1 = 2.19 GEL

WEIGHT AND MEASURES
Metric System

ACRONYMS AND ABBREVIATIONS

ADB        Asian Development Bank
BEEPS      Business Environment and Enterprise Performance Survey
CGA        Country Gender Assessment
GDP        Gross Domestic Product
OECD       Organisation for Economic Co-operation and Development
UNDP       United Nations Development Programme
UNECE      United Nations Economic Commission for Europe
UNFPA      United Nations Population Fund
WDI        World Development Indicators

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Box 1: Quantifying the Macroeconomic Effects of Gender Gaps in the Labor Market

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Executive Summary

This Country Gender Assessment (CGA) reviews the state of equality between women and men in Georgia in access to opportunities, that is, equality in rights, resources, and voice for women and men (World Bank 2007). Equality of rights refers to equality under the law, whether customary or statutory. Equality of resources refers to equality of access to human capital investments, productive resources, and markets. Equality of voice refers to the capacity to make decisions about one’s own life, to act on these decisions, and to influence and contribute to the political discourse and the development process. Recognizing the commitment to gender equality in the constitution, in the legal framework, and in policies, this report mainly focuses on the state of equality in resources and voice. Specifically, the report reviews the extent of equality in the areas of demography, human capital, economic opportunities, and voice and agency and points to some common patterns.

Gender differences

This CGA finds that gender equality is visible in many outcomes in Georgia even though education and labor markets are characterized by much greater gender equality than they are in countries of similar income status, and its outcomes are comparable with those of the Eastern Europe and Central Asia region generally and of the Organisation for Economic Co-operation and Development (OECD) countries.

Demographics and human capital endowments

Of the 3.7 million estimated total population in Georgia, about 52 percent are women, but the men-to-women ratio is not uniform across all age cohorts. Older age-groups have more than twice as many women as men. While women over 65 represent 16.5 percent of the total female population, men over 65 make up only 11 percent of the male population. This pattern is rooted in male migration as well as gender differences in life expectancy. Women’s life expectancy at birth, 78 years, exceeds that of men, 71 years.

At the other end of the age distribution, gender balance is reversed among the youngest cohorts. The sex ratio among 0- to 4-year-olds averaged 112 boys for every 100 girls in 2003–13. Since the 1990s, Georgia and the other two countries in the South Caucasus (Armenia and Azerbaijan) have been displaying extremely skewed sex ratios at birth, comparable with China and India. If nature were to take its course, 106 boys would be born for every 100 girls. In the South Caucasus, the ratio is higher than this “natural” ratio: 113 in Armenia, 115 in Azerbaijan, and 110 in Georgia. Recent data on sex ratios at birth suggest an improving trend. The sex ratio reached close to 107 in 2014. However, in 2015, the overall sex ratio rose to 109 boys born for every 100 girls. In general, rural regions are more affected than Tbilisi (the capital), and other cities and towns: analysis in 2005–13 shows an average sex ratio at birth of 113.4 in rural areas versus 109.7 in urban areas. Parental preference for sons, magnified by increasingly smaller families, the availability of technology that facilitates prenatal sex selection, and prevailing perceptions of economic uncertainty are all factors that explain the high sex ratio at birth in favor of boys.

Girls are more likely than boys to enroll in tertiary education, but tertiary enrollments are low for both sexes. Girls represent about 54 percent of the students pursuing higher education. Tertiary enrollment in Georgia is well below the average in the Eastern Europe and Central Asia region: only 44 percent of boys and 31 percent of girls in 2012, in contrast with 53 percent of boys and 56 percent of girls in the region. There is also a clear gender divide in areas of study in tertiary education, which is the basis for sex-based concentration in certain sectors and occupations. Young women tend to graduate in the arts and humanities, education, and health care; young men are more likely to major in engineering, manufacturing, agriculture, and services.

**Economic opportunities**

The share of women ages 15 to 64 in the labor market has been around 60 percent over the last decade; some 18 to 20 percentage points below the labor participation rate among men. The composition of the labor force by educational attainment is similar among women and men. Approximately 10 percent of participants in the labor market have completed primary school; 60 percent of men and 58 of women in the labor market had completed secondary school; and 30 percent of men and 32 percent of women in the labor market have completed tertiary education. Age, education, the presence of children and elderly dependents in the household, income from social assistance, and geographical location are important correlates of labor market outcomes. However, their impact differs across outcomes, including by the sex of the worker. Household responsibilities appear to play a critical role in reducing female labor force participation, but not male labor force participation: families with a larger share of young children (under age 14) in the household exhibit significantly less probability of female labor force participation, but greater probability of male participation. Overall, the regression results show that childcare responsibilities are associated with significantly reduced female labor force participation; this negative association is large enough to swamp the positive impact of education on women’s labor outcomes.

As in other countries, occupational segregation characterizes the labor market in Georgia. Women are also concentrated in the fields of education, health, and social services. Construction, transport, public administration, and manufacturing are overwhelmingly dominated by men.

Women are much less likely to participate as employers than men. However, they are overrepresented in own-account farm activities and unpaid work. Thus, almost two-thirds of employed women are self-employed because of the high share of agriculture in employment in Georgia. About 56.5 percent of employed Georgian women work in agriculture, compared with the regional average of 16 percent in Europe and Central Asia.

Overall, the unadjusted gender wage gap was 37 percent in 2014. Gender gaps in earnings are large in many employment sectors. Gender wage differences can be partly attributed to industrial and occupational segregation and the fewer hours of employment among women. However, in general, the majority of the gap remains unexplained by observable characteristics between men and women, and it is arguably attributed to discrimination in the labor market.

Unemployment is largely urban. Unemployment rates are close to 30 percent among both urban men and women. Women are also significantly more likely to be among the long-term unemployed. Among unemployed 20- to 64-year-olds, nearly 50 percent of the women and 40 percent of the men have been searching for a job for one year or longer. Unemployed workers, especially women, are overwhelmingly searching for stable jobs, that is, permanent and full-time, but especially permanent jobs.
Only 32 percent of firms with five or more employees in Georgia have a woman top manager, and only 34 percent of firms count women in the ownership, though these shares are slightly higher than the regional averages. Women entrepreneurs in Georgia are concentrated in retail and service firms, which is a common profile around the world: women tend to be concentrated in certain sectors.

Women’s lagging participation in employment and entrepreneurship can be readily recognized as a misallocation of Georgia’s human resource potential. Evidence show that these gaps result in a loss in economic output equivalent to 11 percent of gross domestic product (GDP). The Nordic countries, which exhibit significantly higher participation by women in employment and entrepreneurship, display much smaller losses in GDP, about 8 percent.

**Voice**

In the public sphere, as in the private sector, women’s share of leadership roles is limited. The gender gap in participation in the country’s political life is striking, and it has improved only marginally over the last decade. In 2015, women constituted only 11 percent of the members of Parliament, which is 10 and 12 percentage points lower than the average in low- and middle-income countries, respectively. Nonetheless, since 2000, Georgia has made more rapid progress in enhancing the participation of women as managers, executives and senior officials, and legislators. The share of women judges on the Constitutional Court, for example, is now 33 percent: of the nine justices, three are women.

**Policy priorities**

Supporting the equality of women and men is a smart development strategy for Georgia: the potential gains for the whole economy are of the order of 11 percent of GDP if women were to participate in the labor market as the same rates men do.

Policy efforts must encompass the several fronts on which barriers to gender equality persist, from influencing norms to ensuring equal access to opportunities. Investing in well-designed mass media campaigns would be crucial in addressing the distorted underlying gender norms and the son preference that have fostered skewed sex ratios at birth that favor boys. Mass media campaigns can promote the value of girls, their equal access to economic opportunities and assets, and equal sharing of childcare activities by spouses. Experience in other parts of the world indicate that the media can be powerful in shaping norms about the roles of men and women.

Better childcare options constitute a fundamental policy to help parents combine work and the care of young children. Two aspects of childcare are fundamental to successful programs: quality and convenience. First-rate educational programs will be useless if children are not enrolled or do not attend formal education centers. Building up the quality and availability of public kindergartens to meet the demand for preschool enrollments is therefore an important policy priority. This effort must be complemented by strengthening parental leave benefits. This would involve expanding maternity leave to cover fathers and give them incentives to take time off to share in the care of newborns. This parental leave approach in newborn care will have the dual effect of ensuring the proper care of babies and of facilitating the timely return of mothers to the labor market, thus preventing the possible loss of earnings or tenure among women.

Another set of policies might aim at removing the barriers to women’s paid work. This would involve facilitating a beneficial school-to-work transition by tailoring the content of higher education more closely
to the needs of the private sector and thus making university education more relevant for the job market. It would also be important to reduce women’s early departure from the labor force by establishing equality in the age of pension eligibility among women and men. In Georgia, women retire at age 60, five years before men, even though women have a longer life expectancy. Equalizing the age of pension eligibility would require raising women’s retirement age to 65. Efforts to tackle urban unemployment will especially benefit women, who tend to disproportionately experience long-term unemployment. This can be achieved by investing in active labor market programs tailored to men and women’s needs. Business-oriented education and vocational training will help strengthen women’s involvement in entrepreneurial activities.
I. Introduction

This Country Gender Assessment (CGA) defines gender equality in terms of equal access to opportunities, that is, equality in rights, resources, and voice for women and men (World Bank 2007). Equality of rights refers to equality under the law, whether customary or statutory. Equality of resources refers to equality of access to human capital investments, productive resources, and markets. Equality of voice refers to the capacity to make decisions about one’s own life, to act on these decisions, and to influence and contribute to the political discourse and the development process. Gender equality is globally recognized as a development goal on its own account. It is also widely recognized that economic prosperity does not automatically result in greater gender equality given that traditional social norms around gender roles and responsibilities are entrenched and slow to change (Duflo 2005; World Bank 2011). Yet, greater gender equality also pays off in supporting other positive outcomes such as better health and education among children, better labor outcomes among workers, and greater economic growth (Morrison, Raju, and Sinha 2007; World Bank 2011).

Globally, Georgia ranks 90th on the 2016 World Economic Forum’s Global Gender Gap Index covering 144 countries (Iceland, Finland, Norway, Sweden and Rwanda top the rankings) (WEF 2016). The country is ahead of its South Caucasus neighbor Armenia (102 out of 144) but ranks behind Azerbaijan (86 out of 144) in this ranking. Building on previous work and the latest available data, this CGA takes stock of the state of gender equality in Georgia in demography, human capital, economic opportunities, and voice and agency. It identifies emerging patterns in gender gaps and inequalities, most of which put women at a disadvantage. The patterns in gender gaps—differences in the fields of study selected in tertiary education, the preponderance of women workers in particular industries, the dip in labor force participation among women during the childbearing years, low representation in political life—all contain a common thread: traditional social norms and patriarchy are shaping gender roles in society. No indicator more starkly captures the impact of these social norms than the sex ratio at birth in the country. In 2015, this indicator stood at 109 boy births per 100 girl births, much higher than the natural ratio of 106. These same norms can also put men at a disadvantage, the main one of which is the higher risk of mortality among men in adulthood.

This stocktaking concludes with a brief discussion of public policy priorities to address these gaps. The government is committed to promoting gender equality through the constitution and the adoption of the Law on Gender Equality. The country has recently signed the Deep and Comprehensive Free Trade Agreement with the European Union. The agreement offers avenues for enhancing the economic opportunities of men and women. Because it includes a commitment to gender equality, fair practices, and antidiscrimination, especially in employment, the agreement also represents a significant opportunity to strengthen gender equality institutions in Georgia.

Economic growth and poverty reduction

After impressive economic progress in the first decade of the 2000s, Georgia was heavily affected by the global financial crisis in 2008–09. The economy rebounded rapidly, and, between 2010 and 2014, annual growth in gross domestic product (GDP) averaged 6.9 percent. During the period, Georgians benefited from visible improvements in service delivery and infrastructure, and GDP per capita rose from US$1,277 in 
2003 to US$2,724 in 2014. Georgia did not register any significant changes in poverty between 2006 and 2010. However, starting in 2010, the poverty indicators improved, and the poverty rate fell from 42.7 percent to 32.3 percent (figure 1). Despite this positive trend, international comparisons still show that poverty rates in Georgia are among the highest in the Eastern Europe and Central Asia region. Growth in the 2000s did not translate into more equal gender outcomes in economic opportunities, however, or in women’s participation in decision making, domains in which women continue to lag.

**Figure 1: Poverty headcount, 2010–14**

![Graph showing poverty headcount rate from 2010 to 2014.](image)

**Source:** Estimates based on the data from Integrated Household Survey (IHS).

Woman-headed households are common in Georgia. Nearly 27 percent of the population lives in households headed by a woman. Women household heads are less likely than men heads of comparable households to be employed (50 percent of women household heads are economically active) (Sinha and Lomaia 2013 Women household heads are also overrepresented among the poor and the bottom 40 percent of the income distribution (the bottom 40) (World Bank 2016). Poverty appears to have fallen less among people living in woman-headed households than among people living in man-headed households (figure 2).

This CGA follows the framework provided by *World Development Report 2012: Gender and Development*, and it builds on the key findings of the regional gender report, “Opportunities for Men and Women in Emerging Europe and Central Asia,” as well as a recent background study on the missing girls and women of the South Caucasus. The analysis relies on international databases (the Business Environment and Enterprise Performance Survey [BEEPS], Findex, the United Nations Economic Commission for Europe’s Gender Statistics, and World Development Indicators). It also relies on national data and statistics—the

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3 See, respectively, World Bank (2011); Sattar (2012); Das Gupta (2015) and Dudwick (2015).

data from Integrated Household Surveys; the statistics reported in “Women and Men in Georgia” series published by the National Statistics Office of Georgia (GeoStat); and Georgia’s Reproductive and Health Surveys—for quantitative data. In addition, for information on the institutional environment, the report depends on qualitative data gathered among focus groups organized through the World Bank’s multisectoral regional project, Gender, Mobility, and Jobs (collected in May–June 2013) and from the Caucasus Barometer and the Women, Business, and the Law database. The report also expands the analysis by exploiting a variety of secondary sources that provide useful detail for understanding gender disparities in Georgia. Among these are several World Bank technical papers, the United States Agency for International Development’s gender assessment, and reports of the United Nations Population Fund (UNFPA) on population and sex ratios at birth.

State commitment to gender equality

Since independence, the government of Georgia has demonstrated a commitment to achieving gender equality. The constitution guarantees the equality of men and women before the law. Early on, the new government ratified the Convention on the Elimination of All Forms of Discrimination against Women, passed laws against human trafficking and domestic violence, and committed to achieving Goal 3 of the Millennium Development Goals (promoting gender equality and empowering women). In 2004, it created the Gender Equality Advisory Council to mainstream gender in current institutional arrangements in gender equality. The government of Georgia has opened a new era. It explicitly aims “to ensure prohibition of all kinds of discrimination based on sex in all spheres of social life, create appropriate conditions for implementation of equal rights, freedoms and opportunities of women and men, support prevention and elimination of all kinds of discrimination based on sex.” It includes a series of guarantees and principles to ensure gender equality in labor relations, education, health care, social protection, family relations, property rights and ownership, and voting rights. It mandates the Gender Equality Advisory Council to mainstream gender in legislative processes, initiate laws to promote gender equality, and draft and monitor action plans for gender equality. A Governmental Commission on Gender Equality within the Executive Branch strengthens current institutional arrangements in gender equality. The 2011–13 Action Plan for Implementation of Gender Equality (Republic of Georgia 2011) establishes activities and indicators to promote gender equality in all spheres specified in the 2010 law. It does not, however, provide concrete targets or propose funding allocations. The government then adopted the National Action Plan on Gender Equality for 2014–16.

The government is seeking to boost the employment of women in government services traditionally dominated by men (law enforcement, the military). Parliament adopted a National Action Plan on Women,

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7 See Das Gupta (2015); Dudwick (2015); Sumbadze (2011) for example. See also Duban (2010); UNFPA (2012, 2015).

The government seems committed to improving gender statistics. The collection and use of gender-disaggregated statistics are enshrined in the 2010 law and in the action plan. The commitment has been welcomed by international organizations that are financially supporting GeoStat’s annual publication, “Women and Men in Georgia” and other statistical efforts. GeoStat is participating in an international effort to collect better data on sex-disaggregated data on the ownership of assets. The 2014 census offers opportunities for the analysis of sex-disaggregated data to promote evidence-based policy making and more equal outcomes among men and women. One area where gender statistics are weak is maternal, reproductive, and child health. UNFPA has been supporting reproductive health surveys patterned on the Demographic and Health Surveys. Such surveys provide valuable data on the reproductive health of women and access to maternal and childcare. However, the last such survey was conducted in 2010, and there is an urgent need for another survey to provide updated information (NCDC 2012).

II. Demographics: A Gender Perspective

The population of Georgia has been aging quickly, a trend with important social and economic implications (figures 3 and 4). An obvious effect of Georgia’s changing demographics, typical of many other countries in Eastern Europe and Central Asia, is the increased ratio of retired to economically active citizens (Badurashvili, Kapanadze, and Tsiklauri 2009). This is likely to impose a significant economic burden on the younger generations and to exacerbate the vulnerability to old-age poverty. Low fertility and declining mortality rates are the basis for high dependency ratios. Population growth, negative in the early 2000s, has only recently turned positive again, in line with the regional average. These demographic issues not only have gender-specific implications, but are also directly linked to inequalities and imbalances.

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9 Data issues are common in both birth and death registrations. See Duthé et al. (2010).
Georgia’s demographic composition immediately reflects gender imbalances (figure 5). Of the estimated 3.7 million population, about 52 percent are women, but the ratio of men to women is not uniform across all age cohorts. The skewed gender distribution among age-groups suggests there are significant gender inequalities. In the older age-groups, there are more than twice as many women as men. While women over 65 represent 16.5 percent of the total female population, men over 65 make up only 11.0 percent of the male population. This is a consequence of male migration and men’s lower life expectancy.
There are twice as many women pensioners as men pensioners, which renders women more vulnerable to poverty in old age and is thus a gender issue; male mortality also reflects gender-related challenges. Pensionable age for women and men is 60 and 65 years respectively. Combined with higher life expectancy for women the gender difference in pensionable age leads to a larger number of female than male pensioners\(^{11}\). Widows constitute about 70 percent of woman heads of household, and they are more likely than widowers to be poor. As elsewhere in Eastern Europe and Central Asia, the early demise of men is another gender issue that needs to be addressed: 170 in every 1,000 Georgian men die before reaching age 60; the rate among women is 64.\(^{12}\) While steadily declining, the still large gender gap in this indicator suggests men have specific disadvantages in health outcomes because of unhealthy behaviors, such as alcohol and tobacco abuse and drug addiction (Duban 2010). Gender-based violence against women is often blamed on high alcohol consumption among men (Duban 2010).

The gender balance is completely reversed among the youngest cohorts (figure 5). The sex ratio among 0- to 4-year-olds averaged 108.5 boys for every 100 girls in 2015 (GeoStat 2015). The sex ratio at birth in Georgia is among the highest in the world.

Since the 1990s, Georgia and the other two countries in the South Caucasus have been displaying extremely skewed sex ratios at birth relative to China and India. If nature were to take its course, 106 boys would be born for every 100 girls. In the South Caucasus, the ratio is higher than this “natural” ratio: 113 in Armenia, 115 in Azerbaijan, and 110 in Georgia (figures 7 and 8). Recent data on sex ratios at birth suggest there is an improving trend: the sex ratio at birth reached close to 107 in 2014. However, in 2015, the overall sex ratio increased to 109 boys born for every 100 girls.

**Figure 7: Sex ratios at birth, 2011–15**

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>20,000</td>
<td>10,000</td>
<td>2.00</td>
</tr>
<tr>
<td>2012</td>
<td>20,000</td>
<td>10,000</td>
<td>2.00</td>
</tr>
<tr>
<td>2013</td>
<td>20,000</td>
<td>10,000</td>
<td>2.00</td>
</tr>
<tr>
<td>2014</td>
<td>20,000</td>
<td>10,000</td>
<td>2.00</td>
</tr>
<tr>
<td>2015</td>
<td>20,000</td>
<td>10,000</td>
<td>2.00</td>
</tr>
</tbody>
</table>

Source: Das Gupta 2015; Dudwick 2015; GeoStat 2015.

**Figure 8: Average sex ratios at birth, South Caucasus, India, and China, 2009–13**

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>114</td>
<td>116</td>
<td>114</td>
<td>116</td>
<td>114</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>108</td>
<td>108</td>
<td>108</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>Georgia</td>
<td>111</td>
<td>111</td>
<td>111</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>India</td>
<td>117</td>
<td>117</td>
<td>117</td>
<td>117</td>
<td>117</td>
</tr>
<tr>
<td>China</td>
<td>118</td>
<td>118</td>
<td>118</td>
<td>118</td>
<td>118</td>
</tr>
</tbody>
</table>

11 In 2015, there were 563,625 women and 311,310 men receiving pensions. From the total number of pensioners, 80% receive “old-age” pension and the rest corresponds to “social package” pensions. http://geostat.ge/cms/site_images/_files/english/Gender%20Statistics.pdf

Georgia also shows notable geographical variations in sex ratios at birth; 8 of 11 regions exhibit high sex ratios at birth. According to the latest analysis of UNFPA, sex ratios at birth (calculated using birth registration data) are as high as 113 in Adjara, 114 in Kakheti, 115 in Samtskhe-Javakheti, and 116 in Kvemo Kartli (UNFPA 2012, 2015). In general, rural regions are more affected than Tbilisi and other cities and towns: analyses in 2005–2013 found an average sex ratio at birth of 113.4 in rural areas versus 109.7 in urban areas (UNFPA 2015).

Consistent with previous research, the World Bank study “Missing Girls in the South Caucasus,” and studies of UNFPA show that a confluence of factors underlie the high sex ratios at birth. The parental preference for sons is magnified by important influencing factors, including increasingly smaller family size, the availability of technologies that facilitate prenatal sex selection, and prevailing perceptions of economic uncertainty.

The sex preference for male progeny plays a crucial role (figure 9). Qualitative research conducted as part of the World Bank study on missing girls in particularly informative in revealing the complex background of socioeconomic dynamics and social norms in determining son preference. The study consisted of 24 focus groups, 24 life stories, and 28 interviews conducted between March and May 2014 in four Georgian communities. Respondents varied in gender, age, educational attainment, occupational status, and family composition. The sites sampled were Tbilisi, the capital; Zugdidi, a significantly less economically advanced urban community with many internally displaced persons; Khelvachauri, a lowland, predominantly rural community in Adjara; and Dusheti, a rural site in the remote highlands in Mtskheta-Mtianeti. Except for Tbilisi, all communities sampled are in regions with sex ratios at birth that are substantially greater than the national average. The widespread belief that sons should inherit a larger share of their parents’ property than daughters (20 percent of respondents) or that it is appropriate for husbands to have a bigger income than their wives (39 percent) are additional signs of traditional gender norms and persisting inequalities. These attitudes and patriarchal norms, although weakening, are still widespread in Georgian society and appear to regulate household decision making and the distribution of power and resources (Sumbadze 2008), resulting in unequal gender outcomes in economic and public life.

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Figure 9: Son preference, by selected household characteristics

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Male</th>
<th>Female</th>
<th>18-35</th>
<th>36-55</th>
<th>56+</th>
<th>Capital</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>A boy</td>
<td>30%</td>
<td>70%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
<td>60%</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>A girl</td>
<td>70%</td>
<td>30%</td>
<td>60%</td>
<td>40%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Does not matter</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
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Patriarchal notions and attitudes toward marriage and lineage are important factors behind son preference. The importance of sons in carrying on the family name is sometimes considered more important than the material support sons are able to give to parents (Dudwick 2015).

In Western Georgia, men don’t celebrate the birth of a baby girl, but fire off a gun when a boy is born. A young woman in Adjara recalled, “When my mom had her third child and it was a boy, only then did my grandpa tell her she was his daughter-in-law.” (Dudwick 2015, 12)

There are social consequences of the problem of missing girls. One consequence is the effect on future marriage patterns and fertility. Because fertility rates are low, though they are rising slowly (from 1.6 children per woman in 2000 to 1.8 in 2014), and because the population has been declining for much of the past decade, sex-selective abortions raise particular concerns. A missing generation of young women is likely to depress already low population growth. Moreover, high sex ratios have been found to be associated with increased violence and the trafficking or sharing of brides (WHO 2011). The ongoing parental preference for boys also reinforces gender differences in voice and agency within society, reproduces gender inequality across generations, and constrains the fundamental rights of women to make free reproductive choices (World Bank 2011).

Policy interventions aimed at altering the individual cost of sex selection behavior (banning the technology necessary for prenatal sex detection or providing financial incentives for the birth of girls) have not been successful in Asian countries. Relevant policy options in the South Caucasus might include promoting gender equality in economic empowerment, assets, and agency, and confronting adverse gender stereotypes through media campaigns targeted at various population groups. Qualitative research in the region suggests that the causes of the ‘missing girls’ phenomenon are deeply entrenched in social

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15 Dudwick (2015)

norms; tackling them implies inducing change in parental son preference. Existing literature provides evidence of effective interventions aimed at changing behaviors influenced by social norms through media campaign efforts on, for example, contraceptive use and fertility.\textsuperscript{17}

The reported views on gender equality in access to jobs and schooling seem to be more positive among younger women in Georgia than among other population groups and compared to other countries in the region (Dudwick 2015). These trends showing potential generational shift towards higher valuation of gender equality are encouraging. In South Korea, the only country to have achieved normalization of the sex ratio at birth, the decline in the high sex ratio was accompanied by increased participation by women in the labor force as well as a decline in son preference. From 1985 to 2003, the proportion of women who said that they “must have a son” decreased from 48 percent to 17 percent (Chung and Das Gupta 2007).

Solid evidence is scarce that can be offered to policy makers on effective policies to normalize the sex ratio at birth. An ongoing study by the World Bank and UNFPA-Georgia aims to close this policy knowledge gap and test one of the policies recommended by the ‘missing girls’ study, namely, using communication and advocacy campaigns to raise parents’ perceptions of the value of daughters. The main objective is twofold: to measure if and how attitudes can be influenced by a communication campaign designed to promote gender equality and the value of girls and to assess the impact of such a campaign on sex ratios at birth by using registry data on births and collecting original data to unpack the mechanisms through which change takes place.\textsuperscript{18}

III. Human Capital

Investments in health and education—human capital endowments—shape the ability of men and women to reach their full potential in society. The right mix of such investments allows people to live longer, healthier, and more productive lives (World Bank 2011).

Health

There are distinct health and longevity differences between Georgian men and women. This is reflected in average life expectancy by sex (figure 10). Women’s life expectancy is 78 years, while men’s is 71 years. Over the 2000s, both sexes have experienced a gain in life expectancy of about three years, while for the Europe and Central Asia region men on average gained 4.5 years of expectancy at birth. The 2010 Law on Gender Equality recognizes that equal access to medical assistance should be ensured and that mothers and children might need special consideration, but measures addressing men’s health issues are conspicuous by their absence.

\textsuperscript{17} Banerjee, La Ferrara, and Orozco (2016); Kearney and Levine (2014).
\textsuperscript{18} For background on the concepts, see Klugman et al. (2014).
Figure 10: Health indicators, by gender, 2000–15

Maternal and child health outcomes have improved over the last 15 years, reflecting good access to essential health care services. Births attended by skilled health staff, already high in 2000, reached 100 percent by 2015. The prevalence of HIV among young women remains low, though it has increased among young men. The under-5 mortality rate is higher among boys than girls, and the indicator has also improved notably. The estimated maternal mortality ratio was 36 per 100,000 live births in 2015. While this is low relative to the ratios in peer countries (253 deaths per 100,000 live births), it is substantially higher than in neighboring South Caucasus countries (25 deaths per 100,000 live births in Armenia and Azerbaijan) and the Eastern Europe and Central Asia average of 16 deaths per 100,000 live births.

Despite the wide coverage of antenatal care services, there is room for improving the use of these services in rural areas. According to data of the 2010 Georgia Reproductive Health Survey, almost 98 percent of pregnant women received at least one antenatal examination (NCDC 2012). The majority of pregnant women visited a prenatal care unit during the first trimester of pregnancy; however, there was a gap in the use of these services between urban women (93 percent) and rural women (86 percent).

Fertility has been low and birth rates stable in Georgia for the last decade, and there were positive developments in adolescent fertility rates and contraceptive use. There was a rise in total fertility rates between 2001 and 2014, from 1.6 children per woman to 1.8 in 2014. Over the same period, the adolescent fertility rate, relatively high by regional standards, declined slowly, but steadily to about 41.1 births per 1,000 women aged 15–19 (figure 11). According to the Reproductive Health Survey, the use of modern contraceptives climbed from 41 percent in 1999 to 53 percent in 2010 (NCDC 2012). Accompanying this trend in contraceptive use, the number of induced abortions per woman is estimated to have declined from 3.7 in 1997–99 to 1.6 in 2005–10. This is a positive development because of the health risk represented by using repeated abortions as a contraception method to deal with unwanted pregnancies. An update of the Reproductive Health Survey is urgently needed to learn about progress since 2010.


Figure 11: Adolescent fertility rate, births per 1,000 women ages 15–19

![Graph showing adolescent fertility rate](image)


Health indicators also reveal male-specific disadvantages that have not been addressed and that have implications beyond health. Figure 12 shows that the number of deaths among men exceeds the number of deaths among women until ages 70–74 years. The cumulative effect of this pattern of mortality is that men live an average of seven fewer years than women. Men are more likely to die from external causes, such as violence, injuries, and the effects of the prolonged use of alcohol or tobacco. The World Health Organization estimates that 56 percent of men, compared with only 6 percent of women, are tobacco consumers. In discussing issues of social and economic mobility, both men and women widely report men’s alcohol and drug abuse as one of the main factors in downward mobility and a descent into poverty (World Bank 2011).

Figure 12: Number of deaths, by age-group, 2015

![Bar chart showing number of deaths by age-group](image)


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Education

Women and men show higher educational attainment in Georgia, as in most of Eastern Europe and Central Asia, than in the average lower-middle-income country; sex differences emerge mainly in tertiary education. While literacy is virtually universal and gender gaps in primary and secondary enrollments are extremely narrow, the gaps in tertiary programs are significant in enrollments, but also in areas of study. As a result, access to education does not always translate into human capital endowments that provide women and men with the skills demanded on the job market. This sets the foundation for sex-based job segregation.

Gross primary-school enrollment ratios are high among both boys and girls, who have equal chances to complete primary school. Similarly, in secondary school, Georgia performs well, and the sex gap, much as in the region overall, is almost inexistent. As is typical in the region, primary-school enrollment ratios are high, about 116.0 percent among boys and 117.5 percent among girls. The enrollment sex gap has varied in the 2000s; the indicator has been higher among boys than girls during some years, but higher among girls in some, more recent years (figures 13 and 14). However, it appears that, in 2003–09, girls were an average of 4 or 5 percentage points less likely to complete primary school. In 2010, this gap was closed, and 116 percent of the age-group, whether boys or girls, were completing basic education. The results of international learning assessments show that girls consistently outperform boys in reading, mathematics, and science. Although the science performance of girls worsened somewhat in 2007–11, girls continue to do better than boys.

The performance in international learning assessments in mathematics and science is weak among both girls and boys; however, girls show a slight advantage in science. The Trends in International Mathematics and Science Study 2011 reports overall achievement by major content domains. Compared with other countries in the region, Georgia exhibits weak achievement in both mathematics and science in the assessments of grade 4 and 8 students. In mathematics, there is no significant sex difference in performance; however, girls perform better than boys in science.

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22 See IEA Study Data Repository (database), Data Processing and Research Center, International Association for the Evaluation of Educational Achievement, Hamburg, http://rms.iea-dpc.org/##.
Girls are more likely than boys to enroll in tertiary education, but tertiary enrollments are low among both sexes (figure 15). Girls represent about 54 percent of students pursuing higher education. Tertiary enrollment in Georgia was well below the average across the region in 2013: only 44 percent of boys and 31 percent of girls in 2012, in contrast with 53 percent of boys and 56 percent of girls in the region (2013). University enrollment in Georgia has declined significantly, from 39 percent of boys and 37 percent of girls in 2000. The much deeper decline in male enrollments led to a reversal of the sex gap. The downward trend, however, has not been continuous.

There is also a clear sex divide in the selection of areas of study in tertiary education, which is the cause of the sex-based concentration in certain sectors and occupations (figure 16). Young women tend to graduate in the arts and humanities, education, or health care; young men are more likely to major in engineering, manufacturing, agriculture, or services. This is a common pattern within the region. More research is needed to understand the reasons behind sex differences in the choice of fields of study and, ultimately, career paths. These are likely to include gender norms that define the most appropriate activities for women and men, and women’s presumed preference for part-time work and secure public sector jobs (such as teaching). Preliminary findings from qualitative research on gender, mobility, and jobs in Georgia confirm these theses.23

More women than men are teachers in Georgia. Given the pattern in university specialization, this is expected. Women constitute 80 percent of primary- and secondary-school teachers.24 But there seems to be vertical gender segregation in university teaching: men represent almost two-thirds of full professors on permanent contracts, while women outnumber men lower down in the hierarchy, from assistant professor to teacher, and are more likely to be working on term-limited contracts rather than permanent contracts (GeoStat 2015).

IV. Economic Opportunities

Labor market outcomes in Georgia reflect the deep restructuring of the economy initiated about a decade ago. Total employment has not recovered to the previous high levels even as the share of the working-age population has peaked, a situation that can either raise unemployment rates or discourage work. Though labor force participation rates do not seem to have declined, unemployment is a concern.

Women are as active in the labor market, on average, in Georgia as across the region, and the participation rate approaches the OECD average (figure 17). About 61 percent of women ages 15–64 participate in the labor market in Georgia, well above the 41 percent average in lower-middle-income countries. However, the sex gap is not negligible and has persisted over the last decade (figure 18).

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23 Data collected in May–June 2013 through the World Bank multisectoral regional project Qualitative Assessment of Economic Mobility and Labor Markets in ECA: A Gender Perspective.
Figure 17: Sex gap in labor force participation, 2014

Figure 18: Trends in labor force participation, by sex, Georgia, 2002–14


Progress in reducing the sex gap in labor force participation could have positive impacts on the earnings ability of the next generation and may lower the probability of the intergenerational transmission of poverty (Morrison, Raju, and Sinha 2007). A lower participation rate among women relative to men is not the only gender inequality linked to poverty. Higher rates of informal employment and unemployment, a greater probability of employment in low-productivity industries, and lower wages are important factors in the relationship between labor and poverty among women.

Labor force participation and employment

The share of women ages 15–64 in the labor market has been around 60 percent over the last decade; some 18 to 20 percentage points below the participation rate among men. The composition of the labor force by educational attainment is similar among women and men; approximately 10 percent of participants in the labor market have completed primary school; 60 percent of men and 58 percent of women have completed secondary school; and 30 percent of men and 32 percent of women have completed tertiary education (figure 19).
Some 823,000 women, about half of Georgian women over age 15, are employed (figure 20). The 18-point sex gap in employment is mostly driven by different employment levels among younger cohorts. Most working women are older, but the widest sex gap in employment is in the 15–34 age-group; this is the age at which mothers of young children are concentrated (figure 21). Given the demographic imbalances in Georgia, even though men are employed at higher rates than women, the difference in the number of women working is not so wide, and there are actually more employed women than men in the 45–54 and 55+ age-groups (figure 22).

Reflecting gender differences in the age of eligibility for the noncontributory social pension, men’s and women’s labor force participation is declining at older ages. Women’s participation has plunged after age 54 in line with women’s pension-eligible age of 60. Men’s participation registers a steep drop after 64, which is consistent with men’s pension eligibility at 65. However, given the demographic imbalance at
the top of the population pyramid, the number of employed women is significant and greater that the number of employed men.

As in many other countries, traditional gender norms imply that women bear the main responsibility for housework and childcare, while men are the breadwinners; these social roles are leading to women’s lower labor force participation. A qualitative survey conducted by the Caucasus Barometer in 2010 found that 23 percent of women respondents said they were housewives not otherwise employed. In focus groups conducted on the main reasons why women do not work for pay, a common finding was “women have a lot of work at home, they have children and cannot look for a job” (male participant a focus group in Tbilisi).

Research carried out for the Georgia Poverty Assessment (World Bank 2014) showed that household responsibilities play an important role in reducing female labor force participation, but not male labor force participation. The presence of children in the household is associated with a large reduction in female labor force participation, but raises male labor force participation appreciably. A rise in the share of under-14-year-olds in the household lowers the probability of female labor force participation by 30 percent and raises male participation by 12 percent. The share of household members ages 65+ (who all receive the old-age pension) is associated with an increase in labor force participation among both women and men, suggesting that the presence of the elderly frees up women and men to participate in the labor market. Overall, the regression results show that childcare responsibilities are associated with greatly reduced female labor force participation; this negative association is large enough to swamp the positive impact of more education on women’s labor activity. Any policy measure aimed at promoting female labor force participation would have to address women’s family care responsibilities.

The Law on Gender Equality prohibits discrimination and harassment based on sex, and several legal provisions allow women to combine their dual role as mother and worker. On January 1, 2014, maternity leave for pregnancy, childbirth, and childcare was raised from 477 to 730 calendar days, and paid maternity leave was raised from 126 to 183 calendar days. Likewise, the paid leave benefit was increased from GEL 600 (US$375) to GEL 1,000 (US$625). However, while the generous maternity leave allows mothers to take care of newborns, the law reinforces traditional gender roles because it does not make provision for paternal leave. The Nordic countries, which have generous paid leave systems, have shifted from maternity to parental leave systems with the goal of involving fathers in childcare and household work (Ekberg, Eriksson, and Friebel 2005). The duration of maternity leave has also been found to affect a mother’s probability of returning to work and her postleave earnings. A study of 17 OECD countries found that more than 20 weeks of leave is associated with reduced women’s labor force participation (Gornick and Hegewisch 2010).

Policies on preschool, childcare, and eldercare policies are strongly related to female labor force participation given the simultaneous demand on women’s time for their care and work responsibilities, especially in households with young children or elderly members. A rich body of evidence shows that the greater availability of formal childcare options results in improved labor force

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26 Responses collected in May–June 2013 through the World Bank multisectoral regional project Qualitative Assessment of Economic Mobility and Labor Markets in ECA: A Gender Perspective.
27 These changes to the Labor Code were approved in September 2013.
participation among women in many contexts, including urban Argentina (Berlinski and Galiani 2007); Brazil (Paes de Barros et al. 2011); Canada (Lefebvre and Merrigan 2008); rural Colombia (Attanasio and Vera-Hernández 2004); and Japan (Asai et al. 2014). Closer to the region, Fong and Lokshin (2000) examine the relationship between female labor supply and the cost of paid childcare in Romania in 1989–95 and find that both female labor force participation and the decision to use paid childcare were sensitive to the price of childcare. In the Russian Federation, Lokshin (2000) shows that providing subsidies for paid childcare raises maternal employment by almost twice as much as comparable wage subsidies. Del Boca and Locatelli (2006) use data from the European Community Household Panel to show that female labor force participation is affected by the availability and, more importantly, the affordability of childcare.

**The availability and affordability of kindergartens can therefore be beneficial for the development of preschool children and facilitate the return of mothers to work.** In a 2013 World Bank qualitative study, respondents expressed a general belief that kindergartens are too expensive or full; there was also a perception that employers are often reluctant to hire women with children or likely to have children.28 The fees for public kindergarten were abolished in September 2013, which probably played a crucial role in raising kindergarten enrollments from 46 percent in 2012 to 66 percent in 2013 (World Bank 2014). There are, however, concerns about the quality of preschool facilities, which are managed by local authorities who have limited capacity to cater to rising demand. Some regions do not have sufficient space and facilities to respond to higher demand (World Bank 2014).

**Gender inequalities in the labor market are also evident among the employed.** The sector of employment, the type of employment (full time or part time), and wage levels are closely linked to gender, resulting in unequal gender outcomes in access to economic opportunities, income, and welfare.

**Women are much less likely to be active as employers than men; however, they are overrepresented in own-account farm activities and unpaid work** (figure 23). Participation in entrepreneurship is low among both men and women in Georgia (1.5 percent of men in the labor force and 0.4 percent of women in the labor force). Almost two-thirds of employed women are self-employed because of the high share of agriculture in employment (figure 24). About 56.5 percent of employed women work in agriculture, compared with the regional average of 16.0 percent. A third of agricultural holdings are owned or managed by women, most of whom are engaged mainly in subsistence or small-scale activities. Self-employment is, in any case, the predominant labor market status in rural areas, where activity and employment rates among women are higher than in urban areas.

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28 Responses collected in May–June 2013 through the World Bank multisectoral regional project Qualitative Assessment of Economic Mobility and Labor Markets in ECA: A Gender Perspective.
As in many other countries, occupational segregation characterizes the labor market in Georgia: Women are concentrated in education, health care, and social work. Construction, transport, public administration, and manufacturing are overwhelmingly dominated by men (figure 25). Occupational segregation is linked to traditional household roles and gender norms and begins before entry into the labor market. Women’s greater representation in professions in education, health care, and social work derives from the gender differences in specialization in higher education. Professions such as teaching and other public sector activities, which offer greater security and short, stable working hours, are generally viewed as more well suited for women, who need to balance household work with paid employment.
Gender wage gaps

The overall unadjusted gender wage gap was 37 percent in 2014. Gender gaps in earnings are large in many employment sectors in Georgia. Gender wage differences can be partly attributed to industrial and occupational segregation and fewer hours characteristic of women’s employment, although the majority of the gap that is otherwise unexplained is arguably caused by discrimination in the labor market (World Bank 2011). The average monthly salary of women is approximately 63 percent of the average monthly salary of men, and, in certain sectors, such as financial intermediation and hotels and restaurants, is lower (figure 26, chart a). Women’s salaries exceed 80 percent of men’s in public administration and the production and distribution of utilities, such as electricity, gas, and water. While public administration jobs are expected to be more supportive of gender-equal salaries, the reason for the relative equality in salaries among people employed in utilities is less clear. It likely reflects the higher qualifications of the women who join this sector. Future research on this issue would be revealing. Overall, in 2008–14, the raw gender gap declined from 46 percent to 37 percent (figure 26, chart b). Khitarishvili (2013) has examined the share of gender wage gaps in Georgia that can be explained by differences in the characteristics of men and women in the labor market. She finds that variations in hours worked, the composition of the economic sector, and public employment, for example, in education, are the primary reasons for a large part of the gaps, but a substantial portion is also caused by structural factors. Sex segregation in employment, visible in the share of women and men employed in each sector, also contributes greatly (see figure 25). Her analysis shows that the explained portion of the gap declines across the distribution, indicating that the unexplained portion typically attributed to employer discrimination is larger in more well paying jobs.

Figure 26: Salaries and the gender wage gap, 2014

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<thead>
<tr>
<th>Chart a: Ratio of average monthly nominal female salaries over male, by economic activity, 2014</th>
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<tr>
<td>Financial intermediation</td>
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<td>Wholesale and retail trade; repair of motor vehicles and…and</td>
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<td>Fishing</td>
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<td>Other community, social and personal service activities</td>
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<td>Construction</td>
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Note: Gender wage gap = (Salaries among men – Salaries among women) / Salaries among men.
Unemployment

In contrast to the declining trend in Eastern Europe and Central Asia, Georgia experienced a rising trend in unemployment through much of the last decade (figure 27). The gender gap, negligible in 2000 and up until the onset of the 2008–09 global financial crisis, reached 3.6 percentage points in 2011, when unemployment was 14.5 percent among men and 12.3 percent among women, before declining slightly to 2.3 percentage points. Unemployment is largely urban; unemployment rates were close to 30 percent among both urban men and urban women, while the corresponding rural shares were 6 percent among women and 9 percent among men (World Bank 2014). Women are also significantly more likely to be among the long-term unemployed. Among the unemployed in the 20–64 age-group, nearly 50 percent of the women and 40 percent of the men had been searching for a job for one year or longer.29

Women with no previous work experience or with experience of long-term unemployment are at greater risk of unemployment, and youth of both sexes are more likely than older men and women to be unemployed (World Bank 2009). Women who have completed higher education constitute the largest category of unemployed women, and this share grew in 2007–12 (figure 28). The unemployment profiles of men show a sharp contrast: men who are unemployed are more likely to have completed secondary school or secondary vocational education.

Unemployed workers, especially women, are overwhelmingly searching for stable jobs, that is, full-time jobs, but, especially, permanent jobs. Data of the 2014 Integrated Household Survey shows that, among the unemployed in nonpoor households, 74 percent of the women and 59 percent of the men were searching for permanent positions. Among the long-term unemployed, 80 percent of the women and 66 percent of the men were seeking permanent positions. Thus, women appear to be more likely to be searching for stable jobs, which are likely to be represented by public sector jobs.

29 Based on data of the Integrated Household Survey 2012.
Migration

Lack of opportunities in the local labor market explains the large number of migrant workers leaving Georgia. The last decade witnessed the feminization of this migration. Women now constitute about half of all labor migrants from Georgia (Duban 2010; Hofmann and Buckley 2012; Sumbadze 2008). Temporary labor migration has typically been a male phenomenon, with most of the men migrating to Russia and other former Soviet republics for manual work, but economic necessity and changes in international demand have resulted in more women leaving Georgia. This is a unique outcome in the South Caucasus, where male migration is still the norm. Women migrants primarily work in Western Europe, Greece, and Turkey.

Women migrants tend to have higher skills than their jobs abroad require. They work mostly as house cleaners, nannies, nurses, and caregivers, or, though fewer, as seasonal agricultural workers. Women send higher remittances back to their households than men do and seem more likely to return, but both men and women often mention having difficulties reintegrating and finding jobs once back. In most cases, those who have worked abroad have not acquired the skills sought on the labor market in Georgia.

Entrepreneurship and the business climate

A potential avenue for the enhancement of women’s economic participation and opportunities is entrepreneurship, an area in which they are underrepresented, but are as likely as men to succeed (Kuriakose 2013). In Georgia, only 32 percent of firms with five or more employees have a woman top manager, and only 34 percent have female participation in ownership. However, it is important to note that Georgia outperforms regional averages and world averages for small and medium sized firms with female top manager (figures 29–32). Female entrepreneurship is concentrated in firms in retail and services, the reflection of a common characteristic around the world.


30 Sumbadze (2008); World Bank multisectoral regional project Qualitative Assessment of Economic Mobility and Labor Markets in ECA: A Gender Perspective.
Business-oriented education and vocational training may help more women to become entrepreneurs, but women face numerous barriers in starting and succeeding as entrepreneurs. Targeted training opportunities can contribute to boosting women’s involvement in business, but they should not skirt the fact that social norms on the accepted roles of women and men and limitations in access to finance and assets are barriers to entry among women.

**Figure 31:** Firms with women top managers, by firm size, 2013

**Figure 32:** Firms with women top managers, by type of business, 2013


Credit

Difficulties in gaining access to credit is the number one barrier to business among all Georgian firms. Among establishments responding to the Enterprise Survey, 20.9 percent selected access to finance more frequently on a list of 15 barriers to doing business. The collateral requirements for business loans are onerous, and difficulties in accessing financing may affect women disproportionately because they are less likely to own property. Nonetheless, it appears that women are as likely as men to obtain credit, and more likely to rely on financial institutions for loans as lenders. However, there are no data on the size and types of loans women take out.

Though men and women have equal inheritance and ownership rights in Georgia, there appear to be some gender inequalities in the ownership of assets. The Women, Business, and the Law database shows that, legally, there are no sex differences in inheritance or ownership rights. Yet, there are differences in practice. The qualitative study discussed in Dudwick (2015) reveals that, in practice, many families might have a preference for passing an inheritance on to sons rather than daughters. Data also suggest that the rates of land ownership among men are relatively high. The 2014 agricultural census found that 70 percent of total agricultural holdings are operated by men (of 642, 209 holdings, 198,446 are held by women). Women


could find the accumulation of assets to be difficult because their average wages are lower than that of men. Data from GeoStat’s survey to collect sex-disaggregated information on asset ownership will shed important light on this topic of asset ownership.33

**Women have equal access to the formal financial system, but rely on it less.** Georgia is one of the few countries in Eastern Europe and Central Asia in which women are more likely than men to have a bank account; 39.7 percent of women and 39.5 percent of men have accounts at formal financial institutions. Women, however, appear more likely to use their accounts to deposit government payments and remittances. Although there is no sex gap in account holdings in Georgia, account penetration is lower than elsewhere in Eastern Europe and Central Asia, where 47.0 percent of women and 55.7 percent of men hold bank accounts. Greater inclusion in the formal financial system would likely increase asset ownership and trigger greater economic empowerment among women.

V. **The Economic Costs of Gender Gaps in Labor Participation**

The **loss associated with the sex gap in labor market participation averages around 11 percent of GDP per capita.** Estimates of Cuberes and Teignier (2016b) using national data from the 2014 Integrated Household Survey point to significant income losses associated with the gender gaps in the labor market. If working-age women who are not participating in the labor market were to do so at the same rates as their men counterparts, there would be a gain of 11.3 percent in Georgia’s GDP (box 1). Figure 33 shows how this cost compares with estimates obtained on other countries. Because of greater gender equality in entrepreneurship and labor participation, Nordic countries show the smallest economic losses.

<table>
<thead>
<tr>
<th>Box 1: Quantifying the Macroeconomic Effects of Gender Gaps in the Labor Market</th>
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<tr>
<td>Estimations of the loss associated with gender gaps in the labor market are based on the estimation of a general equilibrium occupational choice model developed by Teignier and Cuberes (2016). In this model, agents are endowed with a random entrepreneurship skill. Those agents with the highest skill optimally choose to become employers, while those with the least skill become workers, leaving the self-employed occupation to agents with intermediate skills. The model assumes that men and women are identical in terms of managerial skills, although women are subject to several exogenous constraints on the labor market. The model also assumes that a share of women are entirely excluded from participating in the labor market, which results in a reduction in output per capita.</td>
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<td>Intuitively, the model of Teignier and Cuberes (2016) implies that men with less managerial skills will take the positions that women with exceptional managerial skills will not, given the constraints that restrict women’s opportunity to become employers. (For example, women are constrained by social norms, regulations, discrimination, and so on.) According to the model, less talented managers run smaller firms, which has implications in terms of the amount of output produced, wages, and firms’ profits. Teignier and Cuberes (2016) show that the ratio of output to income per worker would be lower in an economy with this restriction.</td>
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<tr>
<td>Following this methodology and adapting the parameters of their model to country-specific data for Georgia, Cuberes and Teignier (2016b) measure the aggregate economic loss by taking the ratio between</td>
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output or income per worker in the counterfactual case of no gender gaps and the corresponding output or income per worker given the gaps between men and women observed in the data. Their estimates using the 2014 Integrated Household Survey indicate a loss in GDP per capita of 11.3 percent. About 64 percent of this loss (7 percent of GDP per capita) derives from the sex gap in entrepreneurship.

The model implies that, in the absence of gender gaps, the occupational choices of women would be the same as those of men. Aggregate production is the sum of output by men employers and self-employed men, as well as output by women employers and self-employed women. In this case, agents choose their occupation optimally, and, in the short run, entrepreneurs (employers) choose the amount of labor to maximize their profits (capital does not change in the short run). If the magnitudes of the observed gender gaps are introduced, the efficient allocation is distorted, and, as a result, there is a decline in aggregate income. The quantification of these income effects is based on variables in national data: labor force participation by gender, the share of employers by gender, and the share of the self-employed by gender.

Figure 33: The economic cost of gender gaps in labor participation, selected countries

Sources: Based on Cuberes and Teignier (2016, 2016b).

About 64 percent of the loss in GDP per capita derives from distortions in the choice of occupations among men and women. The remaining 36 percent corresponds to the costs associated with gaps in labor force participation. In general, income growth depends on factor intensity and productivity. The model estimation implies that there are two factors leading to the income loss. First, the fact that there is a misallocation of entrepreneurial talent affects the productivity of the economy. Second, the fact that women participate less in the market leads to the underutilization of the available human capital.
VI. Voice and Agency

The social norms that influence human endowments and economic opportunities represent a crucial force shaping gender equality outcomes. Social norms are critical for women’s agency, their ability to make decisions about their own lives and pursue their preferred choices. Traditional social norms can obstruct the equality between men and women in both their public and their private lives. In Georgia, this is evident in the level of women’s voice, representation, and participation in business, public life, and political activity (figure 33).

Figure 34: Seats held by women in the national parliament, %

The sex gap in participation in the country’s political life is striking, and it has improved only marginally over the last decade. In 2015, women constituted only 11 percent of the members of Parliament, which is 10 and 12 percentage points lower than the average in low- and middle-income countries, respectively. Nonetheless, since 2000, the participation of women in managerial, executive, and legislative activities has expanded rapidly. The share of women judges on the Constitutional Court, for example, is now 33 percent; there are three women justices out of nine (World Bank 2016). Women appear to be less involved in passive political life. The Caucasus Barometer qualitative survey explores citizen involvement in public life through a variety of indicators. Among survey respondents in 2011, only 36 percent of women, compared with 52 percent of men, reported discussing politics with friends or colleagues during the six months prior to the interview. Women also seem slightly less likely than men to vote in parliamentary elections.

The Law on Gender Equality and the resulting Action Plan do not undertake a clear commitment to close the sex gap in voice and agency outcomes. While there have been ongoing efforts to introduce a quota guaranteeing women 30 percent representation in Parliament, such a quota has not been adopted. Though there is societal support for women in high government positions, that support is limited.

whether they would vote for a woman candidate in presidential elections, all other things being equal, only 69 percent of women and 57 percent of men replied positively.\textsuperscript{35}

\section*{VII. Policy Priorities}

Gender equality is visible in many outcomes in Georgia, where education and labor markets exhibit much greater gender equality relative to countries at similar levels of income, and its outcomes are comparable with those in Eastern Europe and Central Asia generally and in OECD countries. For example, Georgia has maintained close to universal primary school enrollments among both girls and boys, and gender parity in secondary education is also close to one. However, gender disparities and disadvantages faced by in certain areas are persisting. Son preference and the underlying gender norms mean that more boys are born than girls, resulting in skewed sex ratios at birth, a pattern found in other South Caucasus countries, but not in the rest of the region. Women have only a few of the country’s leadership roles. The enrollment of women in secondary and tertiary education, although equal to that of men, is substantially below postprimary enrollment rates in the region. Women are also less likely to specialize in science, technology, engineering, and mathematics in tertiary education. Georgian women also show lower life expectancy at birth and higher maternal mortality ratios than their counterparts in the region.

Georgia has been committed to promoting gender equality. Its constitution guarantees equality for men and women before the law. The criminal code was recently amended to penalize marital rape. The Law on Gender Equality prohibits discrimination and harassment based on sex, and legal provisions are in place to allow women to combine their dual roles of mother and worker. Fees for public kindergartens, which are mainly managed by local governments, were abolished in September 2013. As of January 1, 2014, maternity leave has been increased from 477 calendar days to 730, and paid leave has risen from 126 to 183 calendar days. There also has been a boost in government assistance.

The lengthy maternity leave, while allowing mothers to stay with children longer, can have a negative impact on the working careers of women. Promoting a family leave concept would allow men to take leave and share in the care of newborns. Norway and Sweden have recently shifted away from maternity leave toward parental leave, which allows fathers to invest in childcare and household work.

One manifestation of overlapping and persistent gender inequalities is reflected in the economic prospects of women and society. There are currently one million people ages 15 or older outside the labor market in Georgia, 68 percent of whom are women. The majority have completed some level of education. Although the rate of female labor force participation has long been considered good in Georgia relative to other countries at similar levels of GDP per capita, human capital assets are being relied upon inefficiently, forgoing present and future economic gains, as follows:

- Women are more likely than men to enroll in tertiary education, but tertiary enrollments are low among both sexes. Girls represent about 54 percent of the students pursuing higher education. After a decline in university enrollments in the first decade of the 2000s, an upward trend has emerged in recent years. However, enrollment rates are still below the level in 2000 (30 percent in 2014 compared with 39 percent in 2000). Among women, enrollments in tertiary education increased during the period from

\textsuperscript{35} Data in Caucasus Barometer (database), Caucasus Research Resource Center, Tbilisi, Georgia, http://www.crrccenters.org/n.
37 percent to 44 percent. There seems to be an advantage for women. Nonetheless, a sex divide in the selection of areas of study in tertiary education is clear. Young women tend to graduate in the arts and humanities, education, and health care; young men are likely to major in engineering, manufacturing, agriculture, and services. This pattern paves the way for sex differences in the transition from school to work and underlies many of the gender-based sectoral, occupational, and wage differences in the labor market.

- Fewer women than men participate in the labor force. The widest gender gaps occur among people younger than 35 and older than 54. Regression analysis shows that childcare responsibilities are associated with reduced female labor force participation that is sufficiently significant to swamp the positive impact of education on women’s work. The recent government shift to make public kindergartens free will help address the effect that young children have on women’s work, while also filling the development needs of the children. Free kindergarten makes preschool affordable, but there are concerns about whether local governments will be able to meet the demand and provide good-quality services. Reflecting sex differences in the age of eligibility for noncontributory social pensions, labor force participation among both men and women declines with age. Women’s participation plunges after age 54 in line with women’s pension-eligibility age of 60. The participation rate drops sharply among men ages 55–64, which is consistent with men’s pension-eligibility age of 65.

- Unemployment rates are high among both men (14.5 percent) and women (12.3 percent), but unemployment seems to last longer among women, who constitute a higher share of the long-term unemployed. This is likely to be linked partly to skills mismatches and preferences for certain types of jobs, such as permanent, full-time jobs. This effect is also evident in the differences in educational attainment among the unemployed. In 2014, 46 percent of unemployed women had completed higher education, while, among men, the highest share of the unemployed had completed secondary education.

- The incidence of unemployment is especially high among youth, both women and men (29 percent and 32 percent, respectively, among the 15–24 age-group in 2014 and 20 percent and 21 percent, respectively, among the 25–34 age-group).

- The gender wage gap is wide. In 2014, women earned an average 37 percent less than men. There could be several reasons. For instance, women may be self-selecting into jobs that require shorter hours and pay less, resulting in the observed patterns of occupational segregation. Discrimination by employers might also help explain the inequality in average wages. The functional roles of men and women within each economic activity are also likely to explain part of the wage gap.

Policy efforts need to encompass the several fronts in which barriers to gender equality persist, from influencing norms to ensuring equal access to opportunity. Among the policy actions suggested by the empirical evidence are the following:

- Invest in mass media campaigns to address distorted underlying gender norms and the preference for sons that have led to skewed sex ratios at birth in favor of boys. Mass media campaigns can promote the value of girls and the equal access of girls and women to economic opportunities and assets, as well as equal sharing by parents in childcare activities. Experience in other parts of the world suggests that the mass media can be powerful in shaping norms about the roles of men and women.

- Better childcare options constitute a fundamental policy to help parents combine work and the care of young children, as follows:
o Two fundamental considerations—quality and convenience—should be reflected in childcare programs. First-rate educational programs will be useless if children are not enrolled or do not attend formal educational centers. The quality and availability of public kindergarten programs should be built up to meet the demand for preschool enrollments.

o Incorporate family leave benefits. This would expand maternity leave to parental leave to give fathers incentives to take time off to share in the care of newborns. This will have the dual effect of ensuring the parental care of babies and facilitate the early return of mothers to the labor market, thus preventing the loss of earnings and tenure among women.

• Remove the barriers women face in acquiring paid work, as follows:
  o Facilitate the school-to-work transition among women by tailoring the content of higher education more closely to the needs of the private sector, thus making university education more relevant to the job market.
  o Facilitate women’s enrollment in science, technology, engineering, and mathematics.
  o Reduce women’s early departure from the labor force by equalizing pension-age eligibility among men and women. Women retire at 60, five years before men, even though women have a higher life expectancy. Equalizing the age of pension eligibility would imply raising women’s retirement age to 65.

• Tackle urban unemployment, which will especially help reduce women’s long-term unemployment. This can be achieved by investing in active labor market programs that provide job search assistance, training, and counseling to help the long-term unemployed, who, as the data show, are more likely to be women who are searching for permanent full-time jobs.

• Offer business-oriented education and vocational training to strengthen women’s involvement in entrepreneurial activities.

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