GENDER IMBALANCES IN THE GEORGIAN LABOR MARKET AND PECULIARITIES OF THE IMPACT OF THE COVID-19 PANDEMIC

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Abstract. The pandemic has had a severe impact on the living standards of the Georgian population, as the spread of the virus and the escalation of the epidemic have deepened the social crisis and increased unemployment. Gender imbalances in the labor market became even more acute during the pandemic as a large proportion of enterprises stopped operating or continued to operate under limited resources. Women were predominantly fired at this time. As a result, labor market imbalances have intensified. The aim of the research was to discuss the peculiarities of the Georgian labor market in terms of gender, identify its main problems, conduct quantitative analysis using statistical methods and draw relevant conclusions.

Results. The pandemic has exacerbated existing imbalances in the labor market. Unemployment has increased and population activity rates have decreased. Against the background of changes in the methodology of labor registration, the difference between employment and unemployment rates by gender has become even more pronounced, there is a sharp gender differentiation in wages, income growth rates are different for men and women.

Keywords: employment, analysis, gender, differentiation, labor market equality.

JEL Classification: J7.

Introduction

Today, when the integration with the European Union is among the foreign interests of Georgia, the guarantee for strengthening the economy of Georgia can be the sharing of the experience of the partner countries in the fields of economic integration and economic reforms. Besides, it is necessary to share the experience between the business circles of Georgia and the EU in order to approximate the EU regulations (Abesadze, 2017b). Today, the globalization has become a crucial issue in the everyday political, economic, social and cultural life. From the strategic point of view, it is very important for Georgia to enhance the world trade – economic, financial and other kinds of relations, especially when it is in the foreign interests of the country to share the advanced European values and experiences and join the European Union (Quiliev et al., 2019).

The situation today is such that, the contemporary world is facing the dangers posed by the global spread of the new COVID-19 which has created a qualitatively new set of problems for the economy (Papava & Charaia, 2020). The pandemic, both in Georgia and in the world, completely stopped the economy for several months and changed the rhythm of people's lives. The number of unemployed has increased, the social background has worsened, the standard of living has deteriorated. The pandemic has severely affected the labor market, exacerbated existing gender differences, and exacerbated forms of its manifestation.

Gender imbalances were one of the most important socio-economic problems in Georgia and they were exacerbated during the coronavirus pandemic. Unfortunately, the rehabilitation process in Georgia is slow. The losses incurred by business entities in the COVID-19 pandemic should also be taken into account. In view of all the above, the prospects for increasing jobs and, consequently, further eliminating gender imbalances in employment are relatively small at this stage, as significant positive steps have recently been taken in Georgia
in terms of both employment and wages, although problems remain.

The problem of unemployment is one of the acutest problems in Georgia and as the results of different statistical, conjunctive or social surveys evidence, often ranks first among the most important social-economic or political problems the country and Georgian people face (Abesadze, 2014, p. 15).

It should be noted that employment policy in Georgia has a specific character. There are no so-called employment policy mechanisms. Ready-made recipes. Even if there are models developed in countries with market economies developed during the post-pandemic period, barriers to their mechanical transfer will still be created in Georgia, because the recommendations developed by these countries are general and applicable in the context of a balanced market economic system (Paresashvili et al., 2021).

Restrictions introduced by the government institutions in the country in early 2020 have had a negative impact primarily on small businesses and the self-employed population, as a large army joining the ranks of the unemployed people (Tsartsidze, 2016; Tsartsidze, 2013; Tsartsidze & Kvirkvelia, 2014). Study of unemployment has a great practical value not only in respect of a country in general, but also in regional, gender, age and urban and rural respects (Abesadze et al., 2019). Agriculture is a traditional sector and it has always played an important role in economic and social development of Georgia (Paresashvili & Dami, 2019; Chitaladze, 2016). But underdeveloped grocery supply chain, absence of usage of modern technologies and technological opportunities in agricultural sector, small share in the budget for funding agriculture, incomplete and ambiguous regulatory laws, low level of compatibility with legislation of international markets, underdeveloped system of insurance in agriculture are still the problems in this sector (Gechbaia et al., 2019; Kinkladze, 2015). Also, Food safety and protecting the phyto-sanitarian regulations are being attached great importance especially today as the space of economic integration into European Union is systematically increasing, also the share of the member countries of European Union in export and import is increasing and the food products take up more space in the import products (Abesadze et al., 2021). What is more, in the pandemic, it is also important to produce agro products in agriculture in terms of employment, which also ensures the satisfaction of the local population with agricultural products (Abesadze, 2017a). It can be said, in general, economic crisis under the COVID-19 pandemic will be impossible to overcome until world medicine defeats the pandemic. It means that economy remains hostage to medicine (Charaia & Papava, 2021). It should be noted that a policy of gender equality made Georgia one of the most reformatory countries in Caucasus. However, in spite of many positive steps, there are certain problems related to a low level of civil consciousness and strong societal stereotypes (Abesadze et al., 2019), which to some extent affects employment as well. Based on the above, the study of unemployment in respect of the country in general, as well as in regional, gender, age, and urban and rural respects, has great practical importance to develop the right policy of employment, as one of the major factors to overcome poverty (Abesadze & Paresshvili, 2018). Today’s official statistics show an incomplete picture of unemployment and employment on the one hand, and, on the other hand, due to the lack of relevant information, it is a hindering factor for the implementation of an effective state policy (Tugushi, 2007).

The aim of the research was to discuss the peculiarities of the Georgian labor market in terms of gender, identify its main problems, conduct quantitative analysis using statistical methods and draw relevant conclusions.

Methods. The paper used statistical observation, grouping, and analysis methods. Methods of mean values, time series analysis, trend detection, and graphical representation methods were used in the analysis. The data in the article are calculated by us, based on data from the National Statistics Office. We have also calculated the relative and average values, and based on the ten-year time series, the absolute and relative values of the dynamic series analysis have been determined.

Data processing was performed on the basis of PC-AXIS databases and computer program EXCEL.

1. Statistical characteristics of the workforce in Georgia

What are the statistical characteristics of the labor market in Georgia?

The distribution of the population according to economic status reveals that in 2020, 49.5% of women and 33.9% of men are employed in the population aged 15 and older. 38% of women of this age are outside the workforce (Figure 1).

The fact that gender employment rates are low is a fact, but its further decline was due to fundamental changes in the labor force statistics methodology by the National Statistics Office in 2020, which increased women’s unemployment rates by several percentage points and reduced their activity rates.

In particular, according to the new standard, self-employed persons who are not market-oriented and produce agricultural products mainly (more than 50%) for their own consumption are no longer considered self-employed. Individuals with this status were retrained
either in the unemployed category or outside the labor force, depending on whether they were looking for a job and whether they were ready to start a job.

The Table 1 shows the recalculated data for employment and unemployment rates after 2014.

Overall, the unemployment rate in Georgia was declining in 2010–2019, however, in 2020, against the background of the coronavirus pandemic, the unemployment rate increased by 0.9 percentage points compared to the previous year and reached 18.5%. If we take into account that in 2019 the unemployment rate according to the old methodology was 12.7%, and in 2018 it was 13.9%, we can assume that the methodological changes have increased unemployment rates by almost 5%. Lastly, as of 2020, the unemployment rate is 18.5%, which is an increase of 3.5% compared to the previous year, but has decreased by 0.7 percentage points compared to 2018. According to 2019 data, the difference between the unemployment rates calculated according to the old and new standards is 6.1 percentage points. The difference between the unemployment rates calculated according to the old and new standards was especially noticeable in 2010–2017, since 2018 the difference between them has been relatively reduced.

In terms of gender-based employment, the trend expressed in recent years continued in 2020 as well, and traditionally male unemployment rates were higher than those of women. Moreover, in 2020, the unemployment rate for men increased by 1.3 percentage points compared to the previous year, while for women it increased by 0.2 percentage points. In 2020, compared to the previous year, the difference between the unemployment rates of women and men has increased. If in 2019, the unemployment rate for men was 2.9 percentage points higher than for women, the difference would increase to 4 percentage points in 2020. This is while the share of women in the labor force will be 42% in 2020, which is a decrease of 2% compared to the previous year and 2014 (Figure 2).

Unemployment rates were also slightly differentiated by region. Racha-Lechkhumi and Kvemo Svaneti have the highest rates, where in 2020 the unemployment rate was 31.9%. Unemployment was high in the following regions: Kvemo Kartli 22.2%, Tbilisi 20.1%, Shida Kartli 20%, Imereti 19.8%, etc. Unemployment rate was lowest in Kakheti region in 2020 (10.4%). The diagram below shows the unemployment rate by region in 2020.

What are the age unemployment rates in the gender context? Unemployment in Georgia decreases with age, which can be seen in the diagram below (Figure 3). If the highest unemployment rate is observed in the age group under 24, where its rate is 40.1% for men and 38.2% for women, for the next age group it is already falling to 18.1% and 20.4%, respectively, and continues to decline. Unemployment rates in the older age groups range from 9.1% to 14.4% for women and 12.2 to 16.5% for men. Unemployment is traditionally the lowest in the 65+ age group in 2020 (7.3%). The main reason for this is the low level of labor force participation in the relevant age group.

As expected, the unemployment rate is much, about 3 times higher in rural type settlements, while the difference between urban type settlements is relatively small. 11.2 percentage points in settlements. The methodological change significantly increased the unemployment rate in rural areas.

Against the background of ongoing processes in 2020, the unemployment rate for the urban population rose to 17.8% and for the rural population to 13.2%, while for men it was 22.4% and 17.2% respectively (Figure 4).

It should be noted that in 2020, compared to 2019, the unemployment rate in the regions of Tbilisi, Kvemo Kartli and Adjara increased by 3.8, 2.8 and 1.1%, respectively. Unemployment rate is unchanged in Samegrelo Zemo Svaneti region, while in other regions there is a

| Table 1. Employment and unemployment indicators (source: National Statistics Office of Georgia, 2022a) |
|----------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Year                              | Labor force (active population) thousand people | Employed, a thousand men | Unemployed, a thousand men | Unemployment rate, % |
| 2014                              | 1629.0             | 1255.0             | 374.0              | 23.0             |
| 2015                              | 1674.6             | 1294.5             | 367.2              | 21.9             |
| 2016                              | 1653.8             | 1294.5             | 359.2              | 21.7             |
| 2017                              | 1641.4             | 1294.5             | 364.5              | 21.6             |
| 2018                              | 1605.2             | 1296.2             | 309.0              | 19.2             |
| 2019                              | 1572.8             | 1295.9             | 276.9              | 17.6             |
| 2020                              | 1.5237             | 1241.8             | 281.9              | 18.5             |

Figure 2. Unemployment rate by gender, (%) (source: National Statistics Office of Georgia, 2022a)

Figure 3. Unemployment rate, percentage by age groups, 2020 (source: National Statistics Office of Georgia, 2021)

Figure 4. Unemployment rate, 2020, (%) (source: National Statistics Office of Georgia, 2022a)
decrease in unemployment rate (National Statistics Office of Georgia, 2022c).

The increase in the unemployment rate was most evident in Tbilisi, Kvemo Kartli and Adjara regions. On the one hand, this may be due to the fact that real estate activities, accommodation and catering facilities, arts, entertainment and leisure are the most affected areas.

Consequently, the representatives of these spheres were affected by the biggest social blow in the regions. In 2020, compared to the previous year, the unemployment rate decreased the most in the Kakheti region. The decline in the unemployment rate here was 3.2 percentage points (National Statistics Office of Georgia, 2022a). Due to methodological changes, the employment rate under the new employment standard is 13–15 percentage points lower than the old standard. As can be seen from Figure 11, in 2020 both the level of employment and the level of labor force participation will be reduced. In 2020, the employment rate decreased by 1.5 percentage points compared to the previous year, while the labor force participation rate decreased by 1.3 percentage points. The share of employees in 2020 is 68.1 percent of the total number of employees, which is a decrease of 1.2 percentage points compared to the previous year. Due to the new standard, self-employed people who are not market-oriented and produce agricultural products mainly for their own consumption are no longer considered self-employed. First, individuals with this status were retrained either in the unemployed category or outside the workforce, depending on whether they were looking for a job and whether they were willing to start a job. Therefore, the identified trends have changed, the activity and employment rates have decreased, which is clearly reflected in the distribution of labor by gender. A peculiarity of the labor market of modern Georgia is that there is a predominance of employees with higher education. Here, the proportion of women is much higher than the rate of men, the share of women with higher education is 49%, while the share of men is 36%. 20% are occupied by women with secondary vocational education, men – 14%, while the share of men with secondary general education is high, 41%, while in women the figure is 25%.

![Figure 5. Distribution of employed persons by level of educational attainment, 2020 (source: National Statistics Office of Georgia, 2021)](image)

Most men are employed in agriculture, forestry and fisheries, the share of employees here is 22.4%, followed by industry 14.2%, then wholesale and retail, car and motorcycle repair 13.6%, construction 11.8%. As for women, most women are employed in education. Their share here is 21.4%, in the wholesale and retail trade, in the field of car and motorcycle repair – 17.1%, in rural, forestry and fish farming, the share of women employed here is 16.5%.

It should be noted that, the priority positions for women's employment are: service and sales worker, specialist professionals, qualified rural, forestry and fishery workers, etc. For men, priority is given to service and sales workers, skilled rural, forestry and fishery workers, artisans and related workers, plant and equipment operators and assemblers, and more.

Despite declining employment rates for both sexes in recent years, employment rates for both women and men increased between 2010 and 2020, with average annual growth rates of 100.9% and 100.1%, respectively. The employment rate for men is almost 1.5 times higher each year for women. For example, in 2020, the male self-employment rate was 50% higher than the female rate.

We got an interesting picture when analyzing the employment rates. As it turned out the only year was 2019 when the share of women in the number of employees increased and it was 50.3%, all the rest of the year its share was up to 49% (Figure 6). It seems that the employment statistics of women increased in 2019, but the pandemic, the dismissal of jobs brought their employment rates back to the old mark.

![Figure 6. Labor force indicators by sex (source: National Statistics Office of Georgia, n.d.)](image)

As for the self-employed, the pre-employment rates of men are recorded here, the highest, 194.9 thousand women were self-employed in 2014, then their number decreased every year and fell to 130.7 in 2020, which is 23.9% of all employed women.

![Figure 7. Distribution of self-employed women and men by status employment, 2020 (source: National Statistics Office of Georgia, n.d.)](image)

7.2% of self-employed women and 10.2% of men are self-employed, 46.3% of women and 75.2% of men are self-employed, while 46.2% of women and 14.2% of men are self-employed in the household. With the new methodology of measuring the labor force, in accordance with the changes in the category of the self-employed, which were related to the retraining of some of them, it is not
surprising that the level of economic activity of the population has decreased. Under the new standard, the level of economic activity in 2019 decreased by 1.1 percentage points compared to the previous year, and under the old standard by 1 percentage point (Figure 7).

Nor is it surprising that the level of activity of men in all years was higher than that of women, so for example in 2020 by 21.6%, in 2019 by 18.7%, in 2015 by 22.1%, and so on.

In 2020, compared to the previous year, the employment rate decreased for both women and men by 2.3 and 0.6 percentage points, respectively. Employment rates are traditionally higher among men. In 2020, the employment rate for women was lower than the employment rate for men by 15.6 percentage points (Figure 8).

In 2020, the employment rate was highest in the 45–49 age category. The employment rate in this category was 58.6%. The age category of 40–44 is represented by 57.3 percent. All small contributions are made to the 15–19 age group, where the employment rate in 2020 was 7.6 percent. In the highest age category (65+), the employment rate in 2020 was 18.1%.

If we look at the employment level in more detail according to the broken age data, we will see that there is almost the same level of employment in all three categories of men aged 25–54, 62%, differentiated for women and most in the 45–54 age group. 34-year-old Gipis, here his level is 42%. All employment rates have deteriorated compared to the previous year.

For all age groups, both employed and unemployed men predominate, but the highest number of unemployed men is in the 25–34 age group, and for women in the 35–44 age group, it is interesting to note that both the female and male employment age groups are quite high. Moreover, the employment rates in other groups are higher. Although the number of employed men is 17% higher than women, however, in the category of unemployed people of this age, the prevalence of men over unemployed women already reaches 63% (Figure 9). In 2020, the overall employment rate decreased the most in the Kvemo Kartli region, with a decrease of 8 percentage points. The level of employment has increased the most in Racha-Lechkhumi and Kvemo Svaneti. Compared to 2019, the employment rate in the region increased by 3.6%. The level of employment in Tbilisi in 2020 decreased by 0.5 percentage points compared to the previous year. It seems that the negative impact of the pandemic did not spread equally to all regions. When talking about the negative impact of a pandemic on employees, it is important to analyze which groups of employees belong to the most vulnerable groups in a given situation.

It can be said that the scale of the negative impact of anti-pandemic restrictions on the regions is most differentiated by the degree of their urbanization and the level of development of the tourism industry. The more urban the region, the stronger the impact of the crisis.

The level of employment is highest in agriculture, forestry and fisheries. The level of employment in this sector in 2020 decreased slightly compared to the previous year. The level of employment decreased the most in the following sectors: construction, wholesale and retail trade, accommodation and catering activities, education. In a situation created to strengthen the region and ensure employment balance, it is certainly important to analyze the labor market on a regional basis, as we have seen during the pandemic, both employment and unemployment rates for women have deteriorated. According to official statistics, the total number of men in the population over the age of 15 in 2020 will exceed the number of women by 33%. This ratio has increased compared to the previous year (In 2019, it was equal to 1.24.). It should be noted that 49.5% of men in the 15+ population were employed and 40% of women. 62% of employed men were employed and 38% were self-employed. For women, these rates are 76% and 24%, respectively. It seems that the self-employed are predominantly men. In 2020, the number of unemployed men was 66% higher than the number of women, which is an increase of 19 percentage points compared to the previous year. Overall, the average annual growth rate of the workforce for men in 2010–2020 was 99%, the essay was declining by 1%, and for women it was 98%, declining by an average of 2%, a trend that has continued over the last five years (National Statistics Office of Georgia, 2022b).

### 2. Gender imbalances in remuneration in Georgia

What is the wage ratio of women and men? This issue is still acute in Georgia today, as there is still a sharp differentiation and imbalances in remuneration.
According to 2020 data, the ratio of women's wages to men is 67.6%, which is an increase of 3.8 percentage points compared to the previous year (Figure 10). Ranges up to, and only in the supply of electricity, gas, steam and air conditioning exceeds the wages of men.

While the ratio of women to men's wages is still significant, it should be noted that since 2014, the size of women's wages has been increasing.

This is confirmed by the changes in the growth rate of men's wages over the years. So for example, if the nominal average monthly wage of women has increased by 9.6% in the last year, the average monthly salary of men has increased by 3.4% since 2014, the average salary of men has increased by 6% and that of women by 7% (Figure 11).

![Figure 11. Average monthly nominal salary of employees by economic activity and gender, (GEL)](source: National Statistics Office of Georgia, n.d.)

I wonder what the change in salaries was according to the individual types of activities.

According to official statistics, salaries for men increased by 143% in the construction sector, by 19% in transport, by 35% in the mining industry, by 62.7% in the supply of electricity, gas, steam and air conditioning, and so on. As for women, it should be noted that in almost all types of activities in 2020 there will be an increase in wages. The only exceptions are the supply of electricity, gas, steam and air conditioning (decreased by 5.4%) Public administration Defense (decreased by 5.8%) Arts, entertainment and leisure decreased by 6.1%. Wages for women employed in education increased the most by 15.9%, in transport by 2.7%. 28.1% in information and communications and 12.7% in manufacturing.

Of course, the recent trends are reducing the disproportions in terms of both employment and remuneration in Georgia, but wages are still high, and even in the areas of mainly female employment, those who pay their salaries. During the pandemic, women were more likely to find themselves outside of jobs and in conditions of limited work resources, they also found themselves in a leading position in the wage reduction program during the Leaksdown.

**Conclusions**

- It is true that gender imbalances in the Georgian labor market are decreasing and there are some positive trends in this direction, but there are still sharp differences and it is important;
- As the analysis of the indicators showed, in the conditions of increased unemployment and reduced economic activity, the employment rates of women in Georgia increased;

- Along with the increase in employment, there have been positive changes in the direction of increasing women's wages, although their wages are still significantly lower than men's wages;
- Depending on the type of activity, the ratio of women to men's wages ranges from 54% to 92%;
- Employment imbalances are more pronounced in urban than in rural areas;
- The fact is that women are less active in the labor market, the share of unemployed women is correspondingly lower;
- It is true that the level of involvement of women in the labor market is growing slowly;
- Based on the above, we consider it necessary;
- To change the attitude of the society towards the inefficiency of women's labor compared to men;
- It is necessary to improve the information provision of gender equality in the society;
- It is true that the degree of women's involvement in the labor market is increasing, but we believe that the level of women's participation in various governing structures should be increased;
- It is necessary to develop a targeted policy towards equalization of wages.

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**Author contributions**

The group of authors formulated the relevant database of the topic and based on it calculated the statistical indicators. (Chitalade, Kinkladze) presented the obtained results in the form of tables and diagrams. Using statistical methods, based on the analysis, formed reasoned conclusions and developed recommendations (Abesadze, Paresashvili).

**References**


