



Gender Dimensions of the Financial Policy of Georgia

Tbilisi 2009

The publication refers to gender aspects of financial policy of Georgia, methodology of analysis, gender trends and development issues in the fields of healthcare, education and labour market in Georgia, and the ways of their financial resolution at both national and local levels. The publication also reflects international experience and gives recommendations, which might be of interest for the representatives of civil society, as well as national and local authorities.

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Introduction

Democratic development worldwide has put gender equality issues at the forefront of the global agenda. Indisputably, gender equality is a major prerequisite for democratic and economic development. At all levels of governance, gender approaches form the basis for social justice, employment, income growth and welfare for all. Integration of gender aspects in the financial and socio-economic policies and their practical implementation is a true step towards achieving the set goals.

Democratic processes taking place in Georgia, and subsequently, protection of human rights and equalities, requires from the Government to pay particular attention to the issues of gender equality, and to focus on the goals defined by the Millennium Development Declaration. In 2004, Georgia recognised the Millennium Development Goals (MDGs) and is striving to form socially equal society through the implementation of democratic reforms.

In 2005, The Government of Georgia developed a landmark document on Georgia's Priorities for the European Union's Neighbourhood Policy Action Plan, through which it has clearly defined strategic objectives for the country's development, foreseeing Georgia's integration into European and Euro-Atlantic structures.

Getting closer to European standards and meeting necessary requirements for establishing relevant political and economic environment for democratic development and social justice, requires promotion of equal participation of men and women in the State governance, which is one of the essential by-products of the democratic development.

In the recent years, with the efforts of the civil society and support of international organisations, the Parliament of Georgia has adopted a State Concept on Gender Equality, Anti-trafficking Law and the Law on Family Violence. In addition, several steps have been taken to support gender equality in Georgia. Currently, a draft Law on Gender Equality is being developed by the initiative of the Advisory Council on Gender Equality under the Chairperson of the Parliament of Georgia, which should ensure implementation of the State Policy on Gender Equality in the country.¹

Although there is a political will in Georgia to form a democratic and socially equal society, nevertheless, socio-political changes in the country do not ensure establishment of democratic values. In the socio-political decision-making, women's participation is still nominal in the country, and implementation of gender equality at various levels of governance is not yet possible.

As a result of the reforms taking place in Georgia, economic growth has increased, but it has not been followed by considerable reduction in poverty. Significant disparity between the soaring GDP and stagnating poverty levels shows that economic reforms had no significant influence over the welfare of the population.² However, the demographic situation has deteriorated drastically, labour migration has increased and gender segregation of the labour market has deepened. At the given stage of the market economy, achievement of the social justice in the country remains a challenge.

Economic growth, revitalisation of institutional mechanisms, and implementation of the targeted social policy are necessary preconditions for reducing poverty and gender inequality. Implementation of the social policy in the country means distribution of resources in such a manner that it provides for considerable social benefits, ensuring equal utilisation of opportunities by men and women. From this perspective, considerable importance is assigned to mobilising financial resources for producing highly qualified professionals, increasing opportunities of highly-paid employment for women's, radically reforming social protection for women and children, ensuring health and social security, improving social infrastructure, encouraging employment, creation of new jobs and economic activities, which would significantly improve the socio-economic status of the population.

¹The Advisory Council on Gender Equality under the Chairperson of the Parliament of Georgia is the sole institutional machinery promoting gender issues and aiming at the development of proposals and recommendations on the issues pertaining to the State Gender Policy for ensuring gender equality, gender auditing of laws and bringing the Georgian legislation in compliance with the European standards.

² Georgia Human Development Report 2008: The Reforms and Beyond. UN p.4. One of the components of the

UNDP Georgia – SIDA project is a Gender Budget Initiative in Georgia, within the frameworks of which, gender analysis of the Georgia's State Budget education and social sectors was conducted, and the present publication produced. The publication aims at integrating gender at all levels of governance for the implementation of gender equality policy, and focusing attention on the importance of gender responsiveness in budgeting, as well as integration of gender aspects in the State budgetary reporting.

The analysis presented in the publication is the first attempt of this kind in the assessment of the State budget and financial policy of Georgia through gender perspective. The authors discuss the implementation of the economic reforms in the country and its influence over the socio-economic conditions of the population, as to what extent the socio-economic changes have influenced the development of opportunities and improvement in standards of living for both men and women.

Hopefully, the issues raised in the given publication will attract the attention of the Government and civil society in the future to identify which stage of social and gender equality does Georgia stand, and how much closer it has moved towards achieving MDGs, and what is required to eliminate the disparities exposed.

The authors are aware that the interested parties might not agree with all the aspects of the given study, however, they would welcome constructive criticism and express their hope that discussions on gender aspects of State funding in Georgia, as well as the dialogue on these issues between the authorities and civil society, will contribute to further advancement of the country towards building a genuine democratic society.

Demographic Problems in Georgia

Along with the deteriorating demographic situation in Georgia, social burden of women has been increasing and feminization of migration intensifying.

There have been negative trends emerging in the course of Georgia's demographic development. It is characterised by sharp decline in birth rate, increasing mortality rate (especially among newborns), logical result of which is the reduced natural growth of population. In 1990-2008 the population of Georgia was reduced by 19.5 percent, compared to 11 percent in 1975-1990.³ These developments coupled with the ageing of the Georgian population are posing serious threats to the renewal of generations, increasing the burden of the employed population and women's labour in households and families.

Birth Rate

In the first half of the 19th century there were 40 births registered per 1,000 people, in 1913 – 28 births, in 1960 – 24, in 1990 – 17, while in 2007 – 11.2 births. In our country, there were 259 births per 100 women, while in 2007 it was only 173. However, for even a simple reproduction, this indicator should stand at least at 210.

Among the population of Georgia, birth rate coefficient is nearly 1.5 times lower than the respective average coefficient, and the slight natural growth of non-Georgian population of Georgia (mainly of Azeri and Kurdish population), is a result of their demographic behaviour (relatively high fertility rate). There are various reasons for the reduction in fertility rate. It is the effect of various social, political, ethnic, psychological, economic and other factors, which are reflected in women's behaviour and socio-economic conditions of families.

One of the reasons for the decline in birth rate is disparities in family development, such as, increased number of the divorced, unmarried or single mothers. Compared to 2001, number of divorces has nearly doubled.⁴ There is considerable number of women in unregistered relationships, which in 2003 constituted 45 percent of the population compared to 15 percent in 1990.⁵

At the same time, we should also take into consideration the fact that poverty has become the biggest concern in Georgia, which has consumed large portion of the population. In 2003, income of every 4 out of 5 people living in Georgia did not exceed GEL 100, while the income of nearly half of them did not exceed GEL 50.⁶ Although this indicator later reduced, following the increased number of displaced population as a result of the August war between Russia and Georgia, the issues of poverty and unemployment again regained its priority. To overcome poverty, women's employment has increased in the informal sector, as well as within households and families, which has resulted in gender disparities, with the increased importance of women's unpaid labour, and family burden imposed on her. All the above has had negative influence over women's demographic behaviour.

³ World Banki Database: <http://devdata.worldbank.org/hnpstats/query/default.html>

⁴ Men and Women in Georgia (2008), Statistical publication of the Georgian Ministry of Economic Development, Department of Statistics. Tbilisi, p.12

⁵ Social tendencies in Georgia, (2004). <http://www.statistics.ge/publication.php?pform=-999999&plang=2> Reduced number of registered marriages is partially caused by the increased number of church marriages.

⁶ Social tendencies in Georgia,, (2004). Available at: <http://www.statistics.ge/publication.php?pform=-999999&plang=2>

Mortality Rate

Mortality rate in Georgia, along with birth rate has been traditionally low compared to neighbouring States, as well as many European countries. Infant mortality rate in Georgia, which is an essential indicator of gender conditions, exceeds 5 times the average rate of developed States.

Table 1

Infant Mortality Rate

	Georgia	States of the Former USSR	EU - 25
1950-1990	58.7	75.7	27.4
1990-2005	41.3	47.7	7.4

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2004 Revision and World Urbanization Prospects: The 2003 Revision, <http://esa.un.org/unpp>.

It is also noteworthy that in the last 3 years, infant mortality rate has decreased by nearly twice and reached 13.3 in 2007, though this indicator still exceeds twice the average rate of infant mortality in EU. High infant mortality rate is related to the issues of protection of women's reproductive rights and condition of healthcare infrastructure.

Natural Growth of the Population

Based on the correlation between birth and death rates, we can conclude that with declining birth rate and increasing (or remaining stable) death rate, the natural growth of the population is clearly marked with negative tendencies.

Table 2

Natural Growth of the Population

	Georgia	States of the Former USSR	EU - 25
1950-1990	1.09	1.93	0.61
1990-2005	-1.33	0.21	0.28

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2004 Revision and World Urbanization Prospects: The 2003 Revision, <http://esa.un.org/unpp>.

Demographic Aging of the Population

Along with other negative developments, demographic aging of the population has also been intense. Georgia has been considered as demographically aged country since mid 1970s. In 1990s due to deep socio-economic crises, the process of demographic aging sped up and the demographic aging indicators increased considerably.

In the period between the two censuses 1989-2002, the average age of the population of Georgia increased by 2.5 years and is currently over 37 years of age, which is the highest indicator among the countries of the South Caucasus. In economic terms, with an increase of one year in the average age, the social burden of sustaining those beyond the age of retirement also increases, while decreasing the GDP by 2.2 percent.

These factors added by the fact that 20 percent of the economically active population is over the age of 60, of which 15.2 percent is older than 65 (the upper limit of the aging being 65), and 7 per

cent of the total population is over the age of 65. The proportion of the population younger than 25 years constitutes only 9.6 percent of the total economically active population. Hence, from the demographic point of view, aging of the population in Georgia is evident⁷

Especially significant is the aging of fertile women, nearly half of which is older than 36, which has negative effects over the fertility rate.

Demographic ageing of the population is accompanied by the increased demographic and economic burden of those able to work (especially, of those employed). In Georgia, proportion of not-able-to work living on the subsistence of 1,000 able to work has been increasing. If we take into consideration that the unemployment rate is permanently high, the problem of demographic burden becomes even more heightened.

In terms of demographic burden indicators, the proportion of those not having reached the age of entering into labour relationships is decreasing, and respectively, the number of those beyond the retirement age is increasing. The share of children under the age of 16 is decreasing, while the number of people beyond the retirement age is increasing.

This process is especially intensive in rural areas, where due to adverse living conditions, population is moving to the cities. Migration of the population (especially of young people), from rural to urban settlements is especially evident in the northern mountainous region of Georgia. Hence, in these regions the majority of the population is elderly.

In the demographically aged regions, mortality rate is much higher compared to the average rate in the country; it is often higher than the birth rate, leading to depopulation.

The affects of aging are especially painful in labour market and social protection systems. Social costs are increasing, which are increasing the burden of the employed population. Currently, there are 75 employed per every 100 pensioners, while the optimal correlation is 350-400 employed per 100 pensioners.

If we also take into consideration that among the employed more than half are women, income tax paid by the employed women, which is used to cover the pensions of the people beyond the retirement age, coupled by their family labour of taking care the elderly, is the demonstration of women's double burden.

Migration Processes

The general trend of population ageing, among other factors, is mainly resulting from the fact that, in the recent years intensive migration, which started in 1990s has still been continuing, which was mainly due to economic conditions. According to the State Department of Statistics, 85 percent of the population which has left the country is of the age able-to-work, while the proportion of the population of this age, does not exceed two fifth of the total population.

It is especially dramatic that in the recent years gender disparities have also been growing. Among young people leaving Georgia, there are more women than men, which, in the long run, might result in serious socio-demographic problems.

Demographic conditions in Georgia, along with the other factors, are significantly deteriorated by the migration of the population (especially young population). Due to poor registration, the precise number of people who left Georgia is not defined. Various expert estimates are negative, and it approximately reaches one million, which for a small nation like Georgia, is too high.

According to 2002 national census results, among the total number of migrants (1,262,618) 62.2 percent

⁷According to UN demographic classifications, the population is young, in which the opulation in the age of 65 and beond constitute not more than 4 percent of the population. Population is in the sate of aging, if the elderly constitutes 407 percent of the population, and the population is aged if this indicator is above 7 percent.

were women. At the same time, per every 100 men among those who left Georgia with the purpose of improving economic conditions, there were 67 women. This proportion changes in the older age groups, where the proportion of women increases. For example, if in the age group of 40-44 among the people who left Georgia for economic reasons, there are 61 women per every 100 men, in the age group of 50-54 the number of women is 69, in the age group of 60-64 it is 90, while in the population beyond the age of 65 - 120 women.⁸

In the recent years the increased share of women among labour migrants in Georgia has been significant. Generally, massive increase in the number of women in international labour migration is a typical trend. Researches confirm that in many countries structural changes of labour markets have resulted in feminisation of labour migration: single or married women, with mostly better education than men, are trying to find the employment abroad to improve their living conditions.⁹

High level of education and professionalism creates incentives for women's engagement in an informal sector. Traditional, gender based model of labour distribution is gradually changing. Employed women equally participate in the formation of the family budget like men. For women, not only financial factor is important, but moral as well. Women's labour confined solely to her family has become less prestigious. Women employed in an informal sector, feel more comfortable and independent, therefore they opt for employment outside the family if such opportunity arises.

In the middle and high income families, family labour of women was substituted by hired workforce. In the developed countries the majority of women moved from unpaid family labour to the paid sector, while they were replaced by labour migrants arriving from the developing countries. Despite their qualification and professionalism, they are being employed at a lower stratum of the service infrastructure. The majority of them are working as housemaids, caretakers, manual workers, shop assistants or waitresses. In the free economic zones of South Asia and East Asia, 80 percent of the total workforce is women. Women are a cheap workforce. Their vast majority is a labour migrant and is engaged in entertainment industry, mainly - prostitution.¹⁰

Until 1990s labour migration of women was not frequent in Georgia. Traditionally, for the Georgian way of thinking, it was unacceptable for a woman to leave her family and travel far away for subsistence. However, the existing reality, deep socio-economic crises, and sharp decline in living conditions resulted in the fact that, the labour migration has become the only way of supporting the physical survival of the Georgian population. It gave way to women's wide participation in labour migration.¹¹

The majority of women from Georgia are migrating to Greece (24.3 percent), Germany (23.5 percent), USA and Russia (14.3 percent). Their movement is frequently illegal. Researches show that women are mainly engaged in the service sector as caretakers (33.1 percent), babysitters (9.2 percent), waitresses (4.8 percent), cleaners (9.2 percent), and shop assistants (5.5 percent) and so on.¹²

Labour migration among women is caused by grave socio-economic conditions of the families, which negatively affects family development. Compared to men, women find it more difficult to be away from their families. There are frequent cases when migrant women are looking after the children, when they being mothers of young children themselves, had to leave their children behind with their relatives at home. The share of migrant women who have left husbands and families back in Georgia, among the total number of migrant women is 27 percent, of which 37 percent have children.¹³

⁸ Results of 2002 First General National Census in Georgia, Volume III, Part II, State Department of Statistics, Georgia

⁹ Selm, I., (2005). Georgia Looks West, But Faces Migration Challenges at Home, Migration Policy Institute, Georgia: The Tkibuli Region and Rural Migration, (2006).

¹¹ In 2007 Georgia Office of the International Organisation for Migration (IOM) contracted international experts for the assessment of migration management in the country. They noted that there have been no wide-scale and in-depth studies have been conducted into labour migration in Georgia; there is no institutional legislative body established for managing migration processes, which would show realistic picture of the country's migration. (See. Overview of Migration Management in Georgia (2008). Assessment Mission Report, IOM)

¹² Labour Migration in Georgia, (2003). IOM, p. 414.

¹³ Labour Migration in Georgia (2003). IOM, p. 414.

From the economic point of view, massive drain of labour resources from Georgia is justified by the fact that remittances sent by the labour migrants to their families in Georgia is the only source of their daily subsistence, and plays a vital role in overcoming poverty. Volume of remittances is increasing by each year. In 2007 only it amounted to USD 837 million, which exceeds 15 times the corresponding indicator in 2000.¹⁴

Intensive growth of women's labour migration has significantly altered family structure and gender roles. At the same time, family violence has been increasing, moral influence of family on youth and children has decreased, trafficking, prostitution and other criminal activities are rising, where victims of violence are mainly women. If in 2005 there were 13 registered cases of trafficking, of which 10 were committed against women, in 2007 there were 29 cases involving 14 women.¹⁵ Along with the increased cases of trafficking, the number of criminal offences against men was also increasing.

Outside the country, women are mainly engaged in an informal sector where there are no legal mechanisms for the protection of labour rights. In immigration the major part of women are working illegally. That is why, their majority is unable to return home, and are practically deprived of their relatives. Such people constitute 57.5 percent of the total number of emigrants.

Especially noteworthy is the involvement of youth in emigration. The findings of the study conducted in 2005 clearly showed high prevalence of emigration among students. The reasons for emigration cited by the studies were: receiving education (31.8 percent), learning foreign languages (15.4 percent), as well as lack of employment opportunities in the home country (8.8 percent), while 41 percent named the opportunity of improving financial conditions.¹⁶

Conclusions and Recommendations

- Demographic trends in Georgia are indicators of the country's socio-economic development and reflect the condition of healthcare and social infrastructure.
- For increasing birth rate, reducing death rate and, overall improvement of the standard of living, it is necessary to develop demographic policy in Georgia, which will turn into an essential tool for equal distribution of gender roles in the society, and ensure public support for human resources, women's reproduction ability, as well as protection of their rights and well-being.
- In Georgia demographic issues are practically ignored at the State policy level. There are no gender programmes in place which would contain an important component of family planning.
- Migration processes taking place in Georgia have produced the need for setting up a database on labour migrants and displaced population, developing a policy on migration and specific mechanisms of its regulation, as well as refining mechanisms for the protection of socio-economic rights.
- Today there is no population migration policy in the country, reflecting common strategic vision for the management of the migration processes. Regrettably, the latest researches into migration do not envisage any gender aspects. It is necessary to carry out complex researches into labour market and migration processes.

¹⁴National Bank of Georgia data

¹⁵Men and Women in Georgia (2008), Pp. 55.

¹⁶N. Chelidze (2008). Attitude of Students in the Higher Education Institutions towards Education and Labour Migration; Migration (Ed. M. Tukhashvili), Iv. Javakishvili Tbilisi State University Publications, Tbilisi

Healthcare Reforms and Gender Aspects of State Funding

Reforms implemented in healthcare could not ensure significant increase in access to healthcare services for wider circles of the society, while the State funding of the health sector remains low.

2.1. Healthcare Issues and Reforms

Issues in Healthcare

Prior to the restoration of Georgia's independence (1991), like in other post-soviet countries, healthcare system was based on the State funded model. Population had access to wide spectrum of services, as the entire network of hospitals and polyclinics was funded from the State budget, however, it should also be noted that all the variety of services were of low quality and cost inefficient.

Healthcare infrastructure was entirely transformed as a result of reforms. In the second half of 1990s the State funding of polyclinics was completely suspended and they shifted to private funding. These changes partially covered hospitals as well. Majority of the population lost access to healthcare services since their income did not allow for access to serious medical care, while the revenues of the healthcare facilities were not enough to increase their quality of services. As a result, healthcare services and access to them deteriorated.

In the same period, two negative tendencies: poor level of healthcare services and poor condition of population's health were revealed. Poor level of health status was especially evident in demographic trends, most significantly, in the high levels of infant and maternal mortality.

In 2005, in the countries of the European Union (27) mortality rate per 100,000 births was 18.1, while in the post-soviet countries it was 69.2, in Kazakhstan, Kirgizstan and Turkmenistan it reached 100-210, while in Georgia, 66 mothers died per each 100,000 births.¹⁷

In Georgia both foetal and infant mortality rates remain high. According to the data of the World Health Organisation (WHO), foetal mortality rate in Georgia 2.5 times and infant mortality rate – 1.5 times exceed the average European indicators.¹⁸

There are a considerable number of Tuberculosis (TB) patients in Georgia as well. In 2007 there were 102 registered cases of TB per 100,000 persons, of which 75 percent were men.¹⁹ This indicator also exceeds the average European indicator by nearly twice.

High prevalence of TB among men is partially due to the fact that men constitute the majority of smokers. However, it should also be noted that according to WHO, 60 percent of adult men and 15 percent of adult women in Georgia are smoking, while in the European countries the number of smoking men is considerably lower, but the number of smoking women - higher. For example, in France, Germany, Greece, etc, the number of smoking adults both men and women, is above 30 percent.²⁰

¹⁷ Database of the World Health Organisation (WHO) <http://www.who.int/whosis/en>; <http://www.who.int/whosis/whostat/1.xls>; <http://www.who.int/whosis/whostat/2008/en/index.html>. According to the data of the State Department of Statistics, in 2007 the same indicator equalled 2 (Men and Women in Georgia (2008), (2008). p 11.).

¹⁸ Database of the World Health Organisation (WHO) : <http://www.who.int/whosis/whostat/1.xls>. According to the data of the State Department of Statistics, in 2007 the same indicator is 2 times less. Men and Women in Georgia (2008), (2008). p. 11.

¹⁹ Database of the World Health Organisation (WHO) : http://www3.who.int/whosis/core/core_select_process.cfm?countries=all&indicators=nha#.

²⁰ The Tobacco Atlas. Available from: <http://www.who.int/tobacco/en/atlas40.pdf>.

At the same time, one of the major causes for the spread of these diseases is lack of access to quality healthcare services in pre-natal and post-natal periods, as well as infections and difficult working conditions during pregnancy.

Among the causes of high maternal mortality, one should mention poorly developed healthcare infrastructure which fails to provide proper services during childbirth as well as medical examination and treatment of pregnant women in pre-natal period. At the same time, illegal practice of abortions further increases maternal mortality rates. This has become especially characteristic of low-income families.

Researches confirm that treatment received at the early stages of pregnancy considerably reduces infant and maternal mortality.²¹ Poorly developed healthcare infrastructure, coupled with poor quality of services, as well as underdeveloped insurance market, have been hampering early diagnosis and prevention of the diseases, as well as access to healthcare services.

By recognising 2004 Millennium Declaration, Georgia has assumed international obligations for implementing its goals, among them, reduction of maternal mortality by 75 percent by the year 2015, which for Georgia means carrying out reforms in healthcare system with the focus on prevention.

Policy for Social Security and Infrastructure

Such policy implies improved healthy nutrition, sanitation, water, and favourable environment, which is possible to achieve through the implementation of various programmes. Furthermore, it also envisages existence of other assistance programmes in the fields of sport and energy which would be beneficial for all, including women and children.

It should also be noted that these programmes should focus on women's education and awareness rising on disease prevention and healthy nutrition, since women are safeguards of safe and healthy development of families. All the above has a significant influence on the country's critical demographic development. In this regard, the issues of social and healthcare infrastructure development are gaining importance, as well as re-opening of the institutions which, for various reasons, were closed down and stopped operating in Georgia.²²

Healthcare Reforms

In 2007, national program for hospital sector – "Construction of 100 New Hospitals" – was launched in Georgia. The goal of this reform was privatisation of all hospitals remaining in the State ownership, improved access to healthcare and its quality, restructuring of healthcare management and administration, and the establishment of a sustainable system of healthcare funding. It also envisaged moving from specialised hospitals to complex healthcare facilities.

It is envisaged to move the entire healthcare industry into private sector, to increase the competition, quality of healthcare services and a wider choice of services for the population. At the same time, the population will obtain package of primary healthcare services, while an additional insurance package is envisaged for those below the poverty line.

Threats Posed by Reforms

One of the requirements of the reforms is that following privatisation, new healthcare facilities retain their initial profile of hospitals for the period of not less than seven years, starting from the day of contracting. Upon the expiration of this term, investors are allowed to use the former State

²¹ Nolte, E., McKee M., Gilmore A. Reproductive Health in Transition Countries in the European Context. From the European. Centre on Health of Societies in Transition, pp.2-3.

²² For example, establishment of special service for food products' security;

property for any other purposes. Such terms create threats of elimination of non-profitable services and establishment of monopolistic services on the healthcare services market. Healthcare has been totally moved to market regulation system. It is a common knowledge that market competition facilitates development monopolies. Such course of reforms might result in more expensive services, which will be an additional burden for the families, especially – for women. Treatment of elderly and pensioners will also become more expensive.

Commercialisation of the entire healthcare services would significantly affect the prices for the services, which means that for larger portion of the population healthcare services would not be accessible.

Hence, considering the above-stated threats:

- If the State does not provide people with the insurance, or the families are unable to purchase health insurance packages themselves, they will be left without primary healthcare services. This will compel people to resort to self-treatment, which in most cases causes further deterioration of their health condition.
- If the new infrastructure is unable to maintain healthcare functions and numerous unprofitable services are eliminated, the population will receive reduced package of healthcare services.

The main direction of the healthcare reform is that along with the transfer of the healthcare services to private sector, development of the insurance market should ensure provision of the population with the primary and emergency medical assistance. All of which requires State and private participation in the insurance market, which, in its turn, implies reforming of the State budgeting and increased role of State funding.

2.2. Issues in State Funding

Development of healthcare sector is of vital importance for achieving gender and social equality, as well as reduction of poverty.

Investments into Georgia's Healthcare system in terms of GDP have always been low compared to other countries.

Although there was funding provided for the implementation of gender projects on the issues of safe motherhood, improved reproductive healthcare for women, prevention of infections and socially significant diseases, high risk cancerous diseases among women, and State programmes for fighting TB, the existing level of subsidizing did not allow for nation-wide coverage of these efforts.

Reforms in healthcare system were implemented to reduce the burden of funding for the State. However, a paradoxical situation ensued: with the increased private funding, State co-funding reduced drastically. Already by 2005, the share of private funding in the entire healthcare expenditure was more than 80 percent, while in 1998 in England it was only 19 percent, and in 2004 - 13.7 percent. Among EU States the highest rate of private funding was recorded in Greece with 47.2 percent.²⁷ Hence, in Georgia medical service costs have been mainly borne by the families.

²³ One Hundred New Hospitals . Available at: http://www.transparency.ge/files/215_275_122279_One%20Hundred%20New%20Hospitals%20for%20Georgia-%20G.pdf

²⁴ One Hundred New Hospitals. Available at: http://www.transparency.ge/files/215_275_122279_One%20Hundred%20New%20Hospitals%20for%20Georgia-%20G.pdf

²⁵ WHO Database: http://www.who.int/whosis/database/core/core_select_process.cfm

²⁶ Making Transition for Everyone: Poverty and Inequality in Europe and Central Asia, (2000). World Bank, Oxford University press, Oxford. p 8.

²⁷ WHO Database http://www.who.int/whosis/database/core/core_select_process.cfm

Table 3

Private and State Expenditure in Healthcare

	Total Healthcare Expenditure (% per GDP)		State Healthcare Expenditure (% per total healthcare expenditure)		Private Healthcare Expenditure (% per total healthcare expenditure)		State Healthcare Expenditure (% per total State expenditure)		Social (Health) Insurance Expenditure (% per State Healthcare Expenditure)	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
Germany	10.3	10.7	79.7	76.9	20.3	23.1	18.2	17.6	87.3	87.6
UK	7.2	8.2	80.9	87.1	19.1	12.9	14.8	16.2	0.0	0.0
Estonia	5.3	5.0	77.5	76.9	22.5	23.1	11.3	11.5	88.2	86.4
Spain	7.2	8.2	71.6	71.4	28.4	28.6	13.2	15.4	9.6	6.6
Ireland	6.3	8.2	73.5	79.5	26.5	20.5	14.7	19.0	1.2	0.6
Italy	8.1	8.9	72.5	76.6	27.5	23.4	12.7	14.1	0.1	0.2
Latvia	6.0	6.4	54.7	60.5	45.3	39.5	8.8	10.8	86.7	79.6
Poland	5.5	6.2	70.0	69.3	30.0	30.7	9.4	9.9	82.6	83.6
Portugal	8.8	10.2	72.5	72.3	27.5	27.7	14.9	15.5	1.3	1.1
Russian Federation	5.4	5.2	59.9	62.0	40.1	38.0	9.6	10.1	40.3	42.0
Greece	9.3	10.1	44.2	42.8	55.8	57.2	10.1	11.5	31.9	51.1
Georgia	7.4	8.6	16.7	19.5	83.3	80.5	6.4	5.9	44.0	45.4
France	9.6	11.2	78.3	79.9	21.7	20.1	14.6	16.6	89.5	93.8
Slovakia	5.5	7.0	89.4	74.4	10.6	25.6	9.5	13.9	94.4	87.7
Slovenia	8.4	8.5	74.0	72.4	26.0	27.6	13.1	13.4	93.9	93.2
Czech Rep.	6.5	7.1	90.3	88.6	9.7	11.4	14.1	14.4	89.5	90.2
Europe	8.0	8.6	73.4	74.3	26.6	25.7	13.6	14.7	51.1	50

Source: WHO Database: <http://www.who.int/whosis/whostat/4.xls>

Currently in the EU States the share of the State funding in healthcare is increasing with subsequent decrease in private funding.

In 2000, in Eastern European countries State expenditure in Healthcare accounted for 4 percent of the GDP, in South African and Latin American countries – over 2 percent on average, while in the mid-income and high income developed States – 4-6 percent.²⁸ At the same time, in some countries (Norway, Germany, Sweden, Holland, France and Denmark) the indicator was more than 8 percent.²⁹ In all 15 EU States total healthcare spending (both State and private) in 2006 was 6.3 percent of the GDP, in which the private funding share was 2.2 percent, while in all post-soviet States put together, the distribution of the private funding was similar – 2.4 percent.³⁰

Today Georgia is significantly lagging behind EU indicators. Allocations from the State budget on healthcare sector in 2006-7 accounted for only 2.1-2.3 percent of the GDP, while in 2008 as a result of the reduced absolute indicators, it is approximately 1.7 – 1.9 percent of the GDP.

²⁸ Human Development report, (2000). UNDP. Available at: <http://www.undp.org/nhdr2000/chpt3.htm>.

²⁹ Eurostat database. Available at: <http://epp.eurostat.ec.eu.int/portal>.

³⁰ Human Development report, (2006). UNDP. Available at: <http://hdr.undp.org/statistics/data/indicators.cfm?x=52&y=1&z=1>

It is a common knowledge that the lower the State funding on healthcare, the higher the expenditure of households, namely, the share of women's unpaid labour for taking care of family members. Reduction in the State funding of healthcare is inversely proportional to women's burden in the families, and performance of her caretakers' functions. In Georgia, share of the State allocations on healthcare, along with all the above-stated, is significantly less than EU indicators, and does not provide for the improved demographic conditions.

Conclusions and Recommendations

- It would be expedient to increase State healthcare spending up to 3-4 percent of the total State allocations, which would allow the Government to align with EU indicators and increase the share of this sector in GDP.
- Development of municipal healthcare systems would significantly facilitate poor families' access of to preventive healthcare.
- For improved access to family planning services, it is necessary to develop client oriented policies and programmes on family planning and reproductive health, professional training of doctors and other health workers, and implementation of public awareness campaigns on the protection of women's reproductive health.
- It would be expedient to introduce wide network of social marketing, which would ensure resolution of health, environment, family planning and other issues among the population.

Gender Based Social Marketing

Establishing welfare and healthy lifestyle is an important problem of the world community. Radical changes are taking place in the social environment. Environment protection, safe life, family planning, health security, poverty and other social processes are gender-sensitive. Their influence on women and men vary. Gender identity has profound influence on the consumer behaviour. New social product is seen as a significant product for a society, which should serve the purpose of public welfare. Components of the social marketing are as follows :

- Introduction of new, desired behaviour. For example, health prevention, environment protection measures, acquiring information on HIV and so on;
- Getting rid of old, irrational behaviour, giving up harmful habits (drug abuse, tobacco, excessive consumption of sweets, speaking on the cell-phone when driving);
- Behaviour change (practicing healthy lifestyle, using safety belts when driving).

Social marketing theory and practice is widely applied in USA, Canada, Australia, New Zealand, UK and many other countries. Strategy for social marketing is used by the Governments to resolve various healthcare and social issues. Resolution of social issues is a collective responsibility involving every member of the society. Individual consumers, representatives of legislative and public structures, private sector and international organisations are actively participating in the resolution of many social problems. For example, social campaign named « Health Issues in England – Further Steps for Healthy Alternative » was very popular in England in 1980s.³¹ It aimed at behaviour change of the population through healthy life style, which would ensure health prevention for all citizens.

³¹ Lefebvre C., & Flora J., (1988). Social Marketing and Public Health Intervention, Health Education quarterly. 15: 299-315

Social Marketing Centre in UK is involved in a large-scale campaign on healthcare issues. The campaign slogan reads: « Successes of businesses greatly depend on health and welfare of the employees ».

Prof. Jeff French, Director

of the National Social Marketing Centre in UK suggests that there is a close link between employee's welfare and success of companies. Due to health condition of the employees 175 million workdays per year are not lost, which cause £187 million loss to the companies. National Social Marketing Centre recommends UK Government and private companies to participate in prevention activities, which would contribute to overall increase in productivity in the country.³²

Eminent scientists, Philip Kotler and Nancy Lee advocate for a new project envisaging assistance to the target group of the population below poverty line. Development of a gender mainstreamed social marketing programme on poverty facilitates improved access to women's healthcare and education, and creation of new jobs. In this case, public benefit is multi-faceted and envisages support to nation's regeneration, efficient use of workforce and support to public welfare.

One of the key directions of social marketing activities is protection of the environment from harmful effects. In all countries there are environment protection standards in place, which directly or indirectly regulate use of natural resources and facilitate resolution of ecological problems in agriculture activities. Marketing firms working in agricultural business sector are trying to boost the capacities of the agricultural sector, increase the volume of production and market value of local products. The entire marketing strategy is directed towards increasing the volume of sales and income, and meeting consumer demands both within the country and abroad. Food security policy is a long-term strategy of the country which ensures healthy life of the population.

Development of agricultural sector is impossible without taking into consideration the risks which might arise as a result of the activities of the companies engaged in processing or other agricultural sectors, for example, mis-utilisation of water, deterioration of water quality, having negative consequences due to usage of chemicals, etc. Public health and security is to a great extent dependent on the targeted implementation of commercial and social marketing strategies in agriculture. This problem is especially important in Georgia, since the majority of women are engaged in agricultural activities and it represents the primary household activity.

Programmes on reproductive health should be aimed to meet the needs of women, adolescent women among them. In this regard, focus should be made on the improvement of reproductive health services. UNFPA positively assesses introduction and development of social marketing, so that there is an environment created in the society, in which responsibilities between men and women would be equally distributed for resolving the issues of family planning, family management, upbringing of children, and other social matters.³³

³² <http://www.socialmarketingquarterly.com/filip>

³³ (UNFPA Publication on the implementation of the Millennium Development Goals in Georgia, 2005)

Gender Aspects of Social Sector

Shifting from the universal system of social protection to poverty oriented assistance failed to ensure effective protection of the population. Social protection of mothers should be provided based on international practices.

New wave of institutional, socio-economic and political reforms has been launched in Georgia since 2004. Sharply increased State budget facilitated drastic changes in the system of social protection and security. Old system of social protection which was mixed and liberal, coupled with limited State allocations, could not ensure efficiency of the system for social protection and security. Management of State finances was not targeted and efficient which resulted in the growth of poverty and underperformance of social obligations envisaged by the State budget. Although the history of delayed salaries and pensions was left behind, nevertheless, new social reforms were not very successful. Despite the fact that target group of beneficiaries have been identified and social allowances increased, harsh social environment for the population remains unchanged.

3.1. Development of Social Sector in Georgia

Government was unable to carry out radical measures for improving social protection and security until 2004, which resulted in widespread impoverishment of over 50 percent of the population. Despite moderate growth in economy, State institutions for social protection were not sufficiently developed to help various social groups out of the poverty by creating guaranteed and stable living conditions for them. As a result, State system of social protection was substituted by assistance institutions based on family or neighbour relations, humanitarian assistance programmes, charities, which for certain period of time ensured physical survival of the impoverished segment of the society. This process continues to the present day.

Despite the fact that during this period there have been attempts to form active social policy, the social function of the State did not develop. Lack of financial resources did not allow for the implementation of such social policy. Authorities were mainly implementing passive social policy, which was limited to maintaining of the standard of living of the unemployed and poor. Such policy was implemented mainly through allocation of monetary allowances to compensate losses incurred as a result of lack of ability for labour, due to poor health, unemployment, elderly age, childbirth, etc. Due to widespread poverty and lack of State allocations, this system was not efficient and cost-effective.

Sustainable social policy which would aim at carrying out activities, such as provision of vocational education for the unemployed according to market demands, improved access to micro-finance and employment opportunities required for the development for entrepreneurship, as well as improved production, did not exist due to lack of political will.

Constant deficit of financial resources in the system of social protection and security was accompanied by side-effects, such as:

- Abolishment of various allowances envisaged by the State budget. The State had taken social obligations but was unable to accomplish them;
- Increased amount of unpaid allowances and pensions, payment of which was dragged for years;
- Constantly reducing volume of actual assistance;
- The gap between subsistence minimum and allocated allowances was increasing along with inflation;

- Efficient assistance for the unemployed in Georgia turned out to be impossible, like in other post-soviet States, due to inefficiency of the existing Tax System. Genuine value of the assistance was constantly decreasing and average duration of unemployment – increasing;
- Number of registered unemployment cases was too small, which made it difficult to define the exact number of the unemployed. Employment services had very little effect and their activities to reduce the risk of unemployment had practically no results;
- Social policy directions of the State, which would be focusing on resolving the problems of employing women in public life and her role in the family, were completely ignored;
- One of the main priorities of MDGs is ensuring gender equality in employment. Regrettably, there has been no progress in this regard.³⁴
- Provision of population with pensions remained a key challenge of the Georgian social policy though budgetary allocations were insufficient and the country had to refrain from the introduction of pension scheme based on work experience and merits, and maintain unified pension system instead, with the low pension value, which constituted 20-30 percent of the subsistence minimum in 2004, and only certain segments of the society (MPs, political figures, military personnel, etc) were provided with increased pensions;
- Assistance provided to new social groups, such as displaced population was insignificant and inefficient;

Poor efficiency of social protection has led to the following developments:

- Extreme social disparities;
- Population actively involved in household activities for sustaining themselves, with the increased role of women and partially, child labour;
- Increased external migration and role of remittances provided by Georgians residing abroad, for the subsistence of the relatives and family members left in Georgia;
- Labour migration of women of fertile age obstructed improvement of demographic situation and birth rate in Georgia;
- Number of social programmes increased, which were implemented by international or civil organisations, however it should be noted that such programmes were temporary and they could not have significant effect on the formation of competitive workforce. .

3.2. Poverty and Social Inequality in Georgia

Poverty in Georgia is concentrated in the families belonging to the low-income group; these are pensioners and unemployed, families with multiple children, persons with disabilities. Among them are also self-employed, small entrepreneurs, low-income manual workers, and small-scale farmers and so on.

At the same time, rural-urban disparity in terms of poverty further deepened, as well as disparity between small and large cities, which is resulting from varying structure of employment. Along with the spread of unemployment, the differences between the poor became more apparent, and among the poor there appeared groups of poor and extremely poor.³⁵ Extremely poor constituted nearly third of the total poor strata of the population. Poverty touched educated people as well. New group of so called “new poor” emerged.

³⁴ <http://www.socialmarketingquarterly.com/filip>

³⁵ Such strata was formed in the rural areas as well, where approximately 3.8 percent of the population has no land, or are

According to the data of the State Department of Statistics of the Georgian Ministry of Economic Development, poverty level in 2003 against official subsistence minimum was 54.5 percent, against the extreme poverty line – 16.6 percent. Later the proportion of the population below poverty decreased twofold. It should also be noted that gender statistics in this field is extremely scarce, though it is easy to deduce that in the marginalised group of poor population, the majority are women (single mothers, families with multiple children, disabled and pensioners) .

Gender Aspects of Poverty

In Georgia poverty level is equal³⁶ among the households led by men and women, and in both cases constitutes 45 -46 percent, but it should also be taken into consideration that according to poverty structure, their condition varies and out of every 100 poor families 69 are headed by men, while the share of households headed by women is 31. It should be noted that women find it more difficult to sustain family, then men .. At the same time, every additional child in the family further increases poverty. Poverty level in the families with no children is 39 percent, in the families with 1-2 children it is 51 percent, while the families with 3 children - 71 percent. This means, that out of every 100 families with 3 children 71 families are poor.³⁷

Despite significant growth of GDP in 2003-2007 drastic social disparities were not reduced. According to expert opinion, there are several reasons for high poverty level in Georgia: lack of investments in agriculture and its low efficiency; low level of education among farmers;³⁸ absence of targeted social assistance, inflation and rising prices on food products. Among external factors there were: closure of Russian market which was most accessible for Georgian small entrepreneurs, as well as natural calamities which incurred serious damage to the population.³⁹

Poverty Reduction Programme

Economic Development and Poverty Reduction Programme was adopted by the Government of Georgia in 2003. The main priorities of the programme are speeding up country's economic development, access to the benefits of the economic growth by all layers of the society and care for socially vulnerable groups. The programme paid attention to gender aspects as well and their inclusion in the planning of budgetary resources and their distribution, regulation of labour market and social policy.⁴⁰

According to the revised Poverty Reduction programme of 2004, strategic objective of the country envisaged resolving several key issues: creation of efficient and transparent public service, improvement of business climate, attraction of private capital, improvement of business and investment climate, and improved targeting of infrastructure development and social assistance systems. In the ensuing years, poverty issues were discussed without taking into consideration gender aspects. Attention was paid to only the poorest segment of the population.⁴¹

displaced. As a result of agricultural census, 70.8 percent of the population reported that there have been years when their households did not have enough nutrition, which they usually consume. This indicator in Guria reached 82 percent, and in Shida Kartli, 85 percent, while in Kvemo Kartli – 45 percent (Findings of the First National Agricultural Scensus , Department of Statistics). Available at: http://www.statistics.ge/_files/georgian/agriculture/census/1%20zogadi.pdf.

³⁶ SPoverty level is defined by the income of the families which have less than USD 2.15 income per day.

³⁷ Growth, Poverty, and inequality: Eastern Europe and former Soviet Union, (2005). World Bank, Washington, D.C. p.250.

³⁸ Findings of the first Agricultural Scensus in Georgia (2005) revealed that among high level managers in agriculture, persons having high education or secondary professional education constitute only 15-18 percent Available at: http://www.statistics.ge/_files/georgian/agriculture/census/1%20zogadi.pdf

³⁹ Georgia: Human Development Report, The Reforms and Beyond, (2008). Tbilisi, p.36-37.

⁴⁰ Economic Development and Povety Reduction Programme (2003).

⁴¹ Report on MDG Implementation in Georgia (2006) UN

In terms of poverty levels, the situation is not homogenous among pensioners. In Georgia genuine value of pensions was decreasing until 2004, compared to the period when first time in the history of independent Georgia, GDP growth exceeded 10 percent (1998). For many pensioners pension is the only source of income, while others still have income from relatives or other sources.

Two trends evolved as a consequence of the above-mentioned circumstances: 1. increased risk of the middle classes becoming poor, and 2. increased difficulty in crossing the poverty line, which resulted in chronic poverty. Along with poverty, social disparities also developed in Georgia. To overcome these processes the Government was trying to implement frequent reforms, and channeling State budget resources on various measures to dilute social tensions:

- Until 2007 State provided funding for several social schemes: unemployment benefits, vocational training and re-training, temporary employment of the unemployed and social assistance to socially vulnerable population, as well as its monitoring and analysis. In this period the main problem in Georgia was and still remains high level of unemployment. Even today it stands above 13 percent. At the same time, larger portion of the unemployed is concentrated in the cities, and is represented by the population between the ages of 15-50, of which 48 percent are women. Assistance provided to the unemployed was uniform. This issue was significant because the transitional processes in Georgia had especially grave consequences for women, and more women than men lost jobs. For them, labour market became even more limited.⁴² However, it should be noted that State budget had very little influence on social protection of the unemployed population due to minimal volume of unemployment benefits provided.⁴³ In 2005 State budget allocated resources for the protection of the unemployed, while since 2007 this provision was completely eliminated, and the measures for social protection and facilitation of employment were integrated into the social assistance provided to the poor. Hence, assistance to the unemployed, and practically, motivation of women on the labour market to increase their competitiveness have been ignored by the authorities.
- Social assistance (at some point provided in the form of family allowance) was mostly focused on persons unable to work and single pensioners. Their assistance package (pension, family allowance, medical insurance, reimbursement of consumed electricity, red cross donations, etc) was coming close to minimum consumer basket, (average minimum consumer basket in 2007 was GEL 105, while subsistence minimum of a man with the ability to work – GEL 118)⁴⁴, while other categories of family assistance was only symbolic and it did not have any significant influence on their family budget. Existing social protection system did not cover all categories of beneficiaries and allowances issued were too insufficient.
- There were inequalities in allocations for IDP assistance which were unified and not differentiated according to financial conditions of the families. IDP allowances were not targeted for more vulnerable families, so that they would cross the poverty line. It was increasing assuming the form of a political rent in lieu of the State's inability to restore jurisdiction on breakaway territories.
- Disparities were reflected in the way pensions were issued as well, where differentiation was quite significant. For example, in 2004-5 pensions for MPs were issued in the amount of GEL 465, while for the staff of the Parliament – GEL 378, when average pensions for elderly (including for the persons participating in defending Georgia's territorial integrity) was only GEL 37.14.
- There were significant disparities in distribution of pensions from gender perspective as well: pensioners from law enforcement agencies were receiving far more funding than national

⁴²SPoverty level is defined by the income of the families which have less than USD 2.15 income per day.

⁴³ Growth, Poverty, and inequality: Eastern Europe and former Soviet Union, (2005). World Bank, Washington, D.C. p.250.

⁴⁴ Findings of the first Agricultural Census in Georgia (2005) revealed that among high level managers in agriculture, persons having high education or secondary professional education constitute only 15-18 percent Available at: http://www.statistics.ge/_files/georgian/agriculture/census/1%20zogadi.pdf

pension schemes, when the recipients of the former were predominantly men, and the latter – women. Highest ranking military personnel were receiving pensions amounting to several thousand Lari, while national pension for the beneficiaries, majority of which were women, were ten times less. Of the total number of registered pensioners, women constituted more than half, while the average amount of pensions issued to them countrywide was lower. It indicates that absolute majority of the recipients of minimal pensions were women, while their pension amount was 25 times less compared to the pension amount of privileged pensioners, vast majority of which were men (pensioners from law enforcement agencies, Ministry of Internal Affairs, Ministry of Defence, Ministry of Security and Prosecutor's Office). This was a result of vertical and horizontal segregation by gender, which defined concentration of men on highly paid jobs. Although in 2005-2008 minimal pensions increased two-fold and scope of pensions decreased, disparity between distribution of pensions between men and women still remains. This factor still contributes to deepening social injustice.⁴⁵

- There were inequalities in the policy for distributing budgetary allocations: first priority was issuing allowances for IDPs, followed by pensions and finally the salaries for teachers. Such formula was putting teachers in unequal position, more so that their absolute majority, unlike IDPs are women.
- Furthermore, proportional distribution of budget items pertaining to social protection, in 2005-2007 was the following: the largest budgetary item under social protection was pension schemes, which constituted two third of the total section, the second largest allocation was support to IDPs, while all the other sub-lines collectively (benefits for temporary unemployment, assistance to socially vulnerable (families), social protection of the families of the persons who died on 9 April, facilitation of social integration of the disabled persons, social protection of the families of the persons who died or were missing for defending territorial integrity, freedom and independence of Georgia, and social protection and employment generation for the unemployed persons) except social protection management, formed only relatively small allocation, which means that in the social protection system, priorities were defined through singling out privileged group of socially vulnerable people.
- As to the monitoring and analysis of social protection schemes for socially vulnerable, which aimed at identifying risk groups living in extreme poverty among the beneficiaries, assessment of their socio-economic conditions, allocation of assistance and evaluation of their distribution, as well as identification of misallocation of allowances among beneficiaries; forecasting and analysis of targeted social scheme beneficiaries, it has not been conducted at all.

Hence, until 2007 typical features of the social protection system were differentiation of privileged social groups and providing priority assistance to them, which did not always respond to poverty reduction goals for the groups, which were in need of such assistance the most. As a result, both horizontal and vertical disparities emerged. Until 2007 assistance of only certain groups of people were close to minimum subsistence basket, while other groups were constantly remaining on the line of poverty. From gender perspective, inequality was expressed in the differences between budgetary allocations for men and women.

Two other developments were taking place along with gender disparities in terms of access to social services:

- Poverty was further contributing to unequal access to social infrastructure (healthcare, education and other socio-cultural values), which was expressed not only in uneven financial conditions, but also impeded labour output and labour market development.
- With the reduction of the State funding, commercial private service sector started to expand (healthcare, education, etc), which the poor population could not afford.
- Inequalities developed in the real estate industry as well. Construction sites were mainly

⁴⁵ Citizens of Georgia receive social pension as soon as they reach the age of 65. At the same time, women are entitled to receiving pension at the age of 60 according their preference

concentrated in the prestigious areas, which served commercial interests, however young families and middle class had no access to them, needless to talk about the poor. This has further deteriorated demographic conditions and family development. The segment of the population which had less than 6 square metres living space per person has reduced. If in 2000 it was 27 percent of Tbilisi population, in 2005 it came down to 15 percent, while in the other towns of Georgia this indicator remained between 13-16 percent.⁴⁶ This issue is still an acute problem for the society and it is expedient to develop schemes, which would make housing more accessible for wider circle of consumers, which, among other factors, would contribute to democratic development and poverty reduction.

Hence, prior to 2007, social protection system was not linked to realistic needs. Among beneficiaries there were social groups, which required financial resources the least, considering their financial conditions. This was caused by unified system of social protection, while scarce State budget resources did not suffice to protect population from widespread poverty.

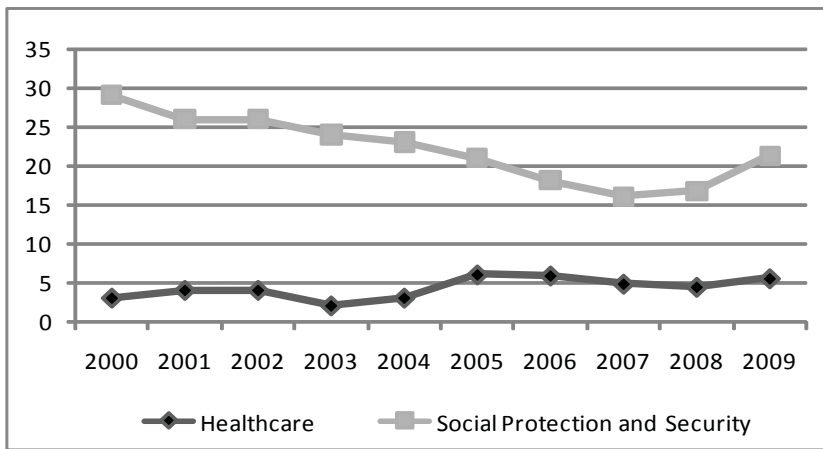
3.3. Issues of State Funding of Social Sector

In 2006-2007 allocations for social protection represented 4.5 percent of the nominal GDP on average. In 2008 it increased up to 5.7 percent. It should be noted that in 15 EU States resources allocated for social protection constituted on average 21 percent of the GDP, while in 27 EU member states – 19.1 percent.⁴⁷ In the OECD (Organisation for Economic Development and Co-Operation) Member States aggregate State expenditure on social schemes (social security, various allowances, compensations, unemployment benefits, etc) constitutes 50.2 percent of the entire State expenditure. Among them the highest social spending was recorded in Japan – 64.7 percent, and the lowest – in South Korea. – 23.8 percent.⁴⁸ To compare, in Georgia allocations for social protection in 2007-2008 amounted to only 16 percent of the State expenditure. Against this backdrop, State allocations for social sector in Georgia are too limited.

In 2008, State funding in social sector increased (see Diagram 1). In 2009 it has been planned to carry out significant changes in social protection, which was facilitated by the increased number of the displaced population following Russia- Georgia war, and global financial crises, with subsequent recession and social tensions having developed in Georgia.

Diagram 1

State Budget Spending on Health Protection and Social Security against Total Expenditure



⁴⁶ It should be noted that the same indicator in Azerbaijan stands at 3.5 percent, in the Ukraine – 4-5 percent, while in Armenia – 17 – 19 percent

⁴⁷ <http://epp.eurostat.cec.eu.int/portal/>.

⁴⁸ <http://stats.oecd.org/WBOS/index.aspx>

Thus, until 2007 targeting of the social protection system was done superfluously and inefficiently. Management of State funding on social protection was an inert continuation of the previous years' practices, however, taking into consideration the fact that it was planned to carry out institutional reorganisation of the entire system, these years could be assessed only as a transitional period, which combined both shortcomings of the pervious system, as well as rudiments of new institutional changes. At the same time, neither old nor new systems had gender approaches defined.

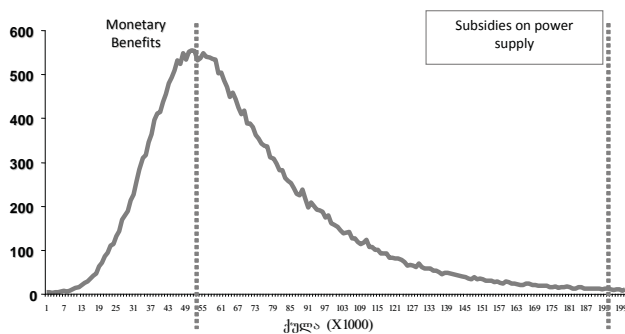
In 2004-2007 GDP growth twice exceeded the growth in previous years, which, created conditions for increased healthcare and social security, as well as standards of living; however, as a result of fragmented social reforms social disparities did not reduce. Increasing wealth among separate social groups was not accompanied by overall reduction of poverty levels. Social segregation of the population was widespread, which required from the State to carry out respective policies and protection of the poor through revitalisation of State protection distribution mechanisms.

3.4. Reforms in Social Protection and Security

In institutional terms much positive has been accomplished during the last two years in the social protection sector. With the aim of social protection of the population below poverty line, a State Program on the identification and evaluation of socio-economic conditions of the families below the extreme poverty line, and subsequent set up of the database was launched. Based on this process subsistence allowances started to be issued.

The central goal of the reform was improvement of socio-economic conditions of only the segment of the population, which was below the extreme poverty line. Instead of allowances, monthly monetary benefits were introduced which families could manage themselves. Benefits equalled GEL 25 for single member family, GEL 45 – two member family, GEL 50 for three member family, and so on. Prior to 2007 Georgia had a Social Scheme which envisaged GEL 22 allowance for 5 categories of families. The shortcomings of this programme were that sometimes socially vulnerable people were not falling under respective categories and sometimes, on the contrary – those covered by the scheme did not require State assistance.

According to the new Scheme, size of financial benefits is defined based on family income and number of family members. In this case families decide for themselves as to what extent they are socially vulnerable and if they require such assistance. This system is based on the self-assessment: State Agency on Social Protection and Employment accepts applications from families considering themselves to be poor or very poor and request State assistance. The Agency has developed criteria which cover all the factors defining social conditions of citizens: location and condition of the housing, furniture, having/not having a phone, car, tractor, land, agricultural produce, cattle, etc; attention is paid to disabilities, and amount of utility payments. Following verification of the data filled in by social agents, with the help of a special formula, all applications are assigned respective score and according to the cumulative scores the families are selected for the entitled benefits. The families are receiving benefits according to one of the three schemes developed – monetary benefits, health insurance and subsidies on power supply consumed- depending on the scores accrued.⁴⁹



⁴⁹ Reforms of the Social Protection System in Georgia (2006), Transparency International, Georgia

Despite significant institutional reforms carried out in the social sector, absence of data does not allow for identifying the scope of social assistance provided to the poor, more so that consumer basket has notably decreased. At the same time, there is no identification of beneficiaries in terms of the head of the household being a man or a woman, which makes it difficult to define gender dimensions of the poverty reduction.

The new system of social protection is operating along with the system of issuing benefits to people according to various categories – IDPs, the displaced population, veterans of war, and mothers of large families and so on. Although this new system of providing assistance according to family income and property status should have been the only system operating, but since the assistance provided to veterans or for the families of those who died in the war, is an expression of gratitude,⁵⁰ and due to the new wave of the displacement following the Russia-Georgia war of August 2008, along with the benefits provided according to income and property status, it became necessary to provide assistance to certain social groups as well.

Assistance to the Population Displaced as a Result of Russia-Georgia War

150 thousand people fled their homes and turned into displaced population during 8-12 August 2008. According to UNICEF data of 12 September 2008, among the displaced population 65 percent were women and children. During hostilities scores of civilians and army personnel died, 30 thousand people were left homeless, many houses were demolished or damaged, around 900 hectares of forests in Samtskhe-Javakheti and Shida Kartli were burned, and oil was spilled in Black Sea and on railway routes.

Aid in the amount of 4.5 million US Dollars was allocated by the EU, USA and international financial institutions. According to preliminary statements, financial aid will be directed for the rehabilitation of country's economy and infrastructure, as well as improvement of living conditions of the affected population and elimination of conflict inflicted damage.

Distribution of the aid provided to Georgia according to priorities and their transparent utilisation is of utmost importance. Civil society is going to be actively involved in these processes. There will be monitoring conducted on the utilisation of the aid provided to Georgia, which, along with NGOs, will involve affected communities, local authorities, experts and professional groups.⁵¹

Active participation of the civil society is of significant importance for targeting distribution of allocations provided for the thousands of displaced population. The document prepared by the UN Resident Representatives' Humanitarian Affairs Team in 2006 stresses that in the lives of 45 percent of 245 thousand IDPs having appeared in 1990s as a result of ethnic conflicts, no significant changes have taken place leading to the improvement of their socio-economic status. 32 thousand people still remain in collective centres. These centres were not fit for living from the very beginning, and presently their infrastructure is completely destroyed. Various organisations are attempting to rehabilitate collective centres, but due to limited financial resources the conditions have not changed. ⁵² It is interesting that according to the research conducted on these issues, 61.2 percent of the IDPs from Abkhazia negatively assess the assistance provided by the State.⁵³

⁵⁰ Social Protection System in Georgia, Transparency International, Georgia

Available at: [http://www.transparency.ge/files/215_275_812164_Reform%20of%20Georgias%20Social%20Welfare%20System%20\[Geo\].pdf](http://www.transparency.ge/files/215_275_812164_Reform%20of%20Georgias%20Social%20Welfare%20System%20[Geo].pdf)

⁵¹ GYLA, Transparency International, Georgia, Gori 28 September

⁵² Humanitarian Situation and the Way to Development (2006) Tbilisi

⁵³ Research into Effectiveness of Financial Instruments Promoting Entrepreneurial Activities of the Internally Displaced Persons (2004), United Nations Development Programme, Tbilisi

In November 2008, The Caucasus Resource Research Centre and Transparency International conducted a public opinion poll. 1837 respondents were interviewed on the issues of efficient management of international financial aid. The priorities of the respondents were focused on targeted financial assistance to the IDPs, and conflict affected and socially vulnerable people. As a result of the researches conducted by UNIFEM, needs and requirements of conflict affected women were defined and submitted to the Government.⁵⁴

By the end of 2008 the Government provided 16 thousand families with the newly constructed houses. At the same time, the need of developing social infrastructure and employment generation schemes for the displaced population were identified. It is noteworthy that along with the assistance programmes developed for the displaced population, it also became necessary to carry out new assistance programmes for the IDPs displaced from Abkhazia in 1990s.

It should be noted that focusing on social assistance is a necessary leverage for the implementation of passive social policy. The Government was resorting to temporary measures for the implementation of active social policy, though sometimes, less successfully. The example of which are employment programmes, which were launched in 2006 and subsequently developed according to various scenarios (see Chapter 4).

Gender Obstacles to Pension Reforms

One of the key priorities of the State Programme in 2008 became pension reform. Starting from 1 March 2008 the minimum pension was increased up to GEL 70 (compared to the initial GEL 55). Allocations for funding pensions from the 2008 State Budget amounted to 15.5 percent of the total expenditure. At the planning stages of 2009 State Budget, there was a desire to increase pensions up to GEL 100, however this did not turn out to be feasible.

The employed persons pay for pensions through their income tax, which, according to current law, is 20 percent.⁵⁵ Income taxes are paid by the employed persons who constitute 38 percent of the total population of the country. As much as social taxes have been abolished, it would not be precise to define pension burden from the income tax, however considering the increased rate of GDP and pension funds, the latter is increasing significantly, which means, that pension contribution of the employed population, number of which remains unchanged, is increasing. More than half of the employed are women, while, average amount of women's pensions, as it was noted above, is significantly less than that of men. Hence, disparities in pension system arise due to equal employment of men and women, but unequal volume of their pensions.

Social security of pensioners is in difficult condition, since per each employed person there are 1.1 pensioners. Furthermore, the fastest growing sectors in Georgia (financial brokerage, communications industry, transport, real estate, etc) are not limited in terms of creating new employment opportunities; their technological development does not require significant increase in their staff, which limits further employment growth. Therefore, it is not expected to have significant changes in tax payer-pensioner ratio. Due to the above reasons, along with the development of a unified solidarity system (pay as you go), it is necessary to form differentiated system according to the number of years worked, and accrued pension schemes (pay before you go), which is impossible without introduction of personified systems.

In Georgia private pension system is currently less developed, and major part of the population is mainly relying on State pension systems and family support.⁵⁶ As a result of demographic conditions and ageing of the population, since birth rate in Georgia is low and share of the elderly is increasing,

⁵⁴ Public opinion survey on international financial assistance (2008). Tbilisi, Georgia 11 December

⁵⁵ Until 1 January 2009 it was 25 percent.

⁵⁶ As a result of a sociological survey conducted in Rustavi and Kutaisi, it was revealed that 65.4 percent of women ad

pensioners would become an increased burden to the State Budget, unless it is not added with the multi-scheme private pension systems, and unless current practice of women's participation in pensions systems changes, which presently is characterised by inequality. This issue will become especially acute if the definition of State pensions will be based on the number of years worked and the age of the beneficiary. The years of women's labour for upbringing children will still remain unpaid and unappreciated.

3.5. Issues of Family Development

It is a common knowledge, that the time spent on upbringing children has its influence over labour market, distribution of income, pension and demographic conditions. In Georgia women are compensated for 126 days spent on childcare. At the same time, additional unpaid leave is provided for 477 days. In the other countries, e.g. in the USA, Medical leave act is given for 12 weeks, including to those employed in large enterprises. In California both parents are given part-time maternity/paternity leave simultaneously.⁵⁷

The assumption that the longer the maternity leave the better is not logical. In Georgia, like in other post-soviet States, financial burden of maternity leaves is borne by the State social system. At the same time, there are several approaches in defining the term of maternity leave and reimbursement amounts. These approaches are based on salaries, taxes or State funding.

Of these approaches, it would be unconstitutional if the reimbursement issued during the maternity leave is linked to the average salaries of the employed persons. Mothers on maternity leave during their employment receive different salaries. Therefore, speaking the language of political economy, they had to make 'concessions' of various degrees when deciding in favour of giving birth to a child. Neither would it be appropriate if various benefits are paid to those on maternity leave from State social security system depending on their contribution to paying taxes. However, one cannot rely only on the employer, since in such case, discrimination of young mothers or unmarried women would be inevitable.

Hence, in terms of gender equality, the burden of reimbursement for motherhood should be borne by the public; however there is one significant issue, as to how should public bear this burden and what requirements should social protection system of mothers comply with?

The existing demographic conditions in Georgia are the biggest challenge to the State. The population growth rate is indeed critical, birth rate is very low – 1.4 children per mother. According to experts, 2.1 children per mother is the minimum which ensures stability of the population (see Chapter 1). Hence, social protection of the population in Georgia should be linked with the demographic condition.

Recommendations of the Commission Studying Demographic Problems of Georgia under the International Charity Foundation of the Catholicos - Patriarch of All Georgia

To improve demographic policy it is necessary to take multiple actions, which will eventually ensure regulation of demographic processes, and achievement of optimal level of the desired reproduction level of the population, i.e. change of generations. For poverty reduction in the country it is important to carry out measures directed at ensuring economic stability of families. This requires provision of socio-demographic and family policies, with a primary focus on poverty reduction.

87.7 percent of men consider the State pension as the main source of their future income. (The findings of a public opinion survey for mainstreaming gender into local governance (2007) UNDP Project "Gender and Politics in the South Caucasus" Tbilisi pp. 40-41

⁵⁷ Maternity Leave: the Longer the Better? (2008), June 13. Available at: <http://blog.doingbusiness.org/2008/06/maternity-leave.html#more>

It is necessary to develop legal framework for family policies. For example, care provided by mothers raising three or more children should be considered as employment until the youngest child reaches the age of 16; family status of large, young, unmarried, etc families should be defined and differentiated tax policy applied.⁵⁸

Demographic policy should envisage incentives at the legislative level. Authorities and public should be aware of the importance of demographic policy to be implemented at national level. This means, that maternity leave for women should be an alternative to the value she is creating while being employed in informal sector. Hence, reimbursement of the maternity leave should be seen not as a benefit, but as remuneration for work created by women through childbirth and care.

Women's work in the family is based on the established approaches and stereotypes, which significantly affect work distribution within the family. Women's access to labour market to great extent depends on the extent of freedom they receive from performing family work. Targeted State policy can have a certain influence over the distribution of work within the family, which would significantly contribute to the reduction of unpaid labour of women. In the economically advanced countries, the existing service infrastructure creates beneficial environment for women, and ensures more or less equal balance of labour of men and women within and outside the family. These are cheap credits, microfinance, refined legal framework for protecting women's labour, development of children's institutions, wide network of household services, development of special schemes for entrepreneurship (marketing, legal aspects, taxation system), and so on.

International Experience

In the countries well-known for overpopulation there is a widespread policy of "one child". In China families who have only one child are exempt from taxes, which stimulates family model consisting of 4 grandparents, 2 children and 1 grandchild. This policy came into force in 1979 and by 2000 it covered 36 percent of the families. Although critics of this model call it inhumane, it is recognised that monetary stimulation still influences demographic situation.

In countries with different demographic conditions there are policies for compensating women's unpaid labour:

In Australia they defined the scope of unpaid labour connected with care provided by women within the family, based on which they introduced policy of subsidizing services for childcare. At the same time, tax exemptions were introduced for parents (mostly women) who were engaged in upbringing of their young children at home. Also, budget of the people who were taking care of the elderly and disabled was studied, and strategy developed, envisaging tax exemptions for the families where one of the spouses was sustained by the other while taking care of children's upbringing. Men were the main beneficiaries of such exemptions.

In Canada in 1998, a decision was made to include a budget item in the Federal budget, according to which, tax credit would be available to those engaged in care economy and unpaid labour. At the same time, focus was made on pension system and it was forbidden to suspend participation of parents in the pension schemes and reduction of their pension benefits if they had to give up work to take care of their children.

In Israel a lot of attention is paid to single mothers. Starting from 2002 the Parliament endorsed an amendment to the law regarding assistance provided to single mothers. Prior to these changes, single mothers with the children under two years of age were entitled to

⁵⁸ For the Reproduction of the Georgian People and a Populous Georgia (Concept of Demographic Development)

benefits only if their income was below the minimum standards defined by law. They were receiving benefits irrespective of their employment status. However, when children were reaching the age of two, the mothers had to take care of their employment. New benefits were allowing them to have a choice – to work or to take care of their children.

In South Korea model of unpaid “economic equivalent” was developed, based on the new system of work evaluation, which envisaged equal distribution of compensations among people engaged in paid and unpaid work in terms of insurance, social security, taxation and property distribution in case of divorce, or accidents. At the same time compensation to the housewives should have been equal to the income of women who were engaged in other paid work as well; increased participation of men was encouraged in the households which would be compensated by increased employment of women.

In Norway “credit for care” was introduced in 1992. This way compensation was provided for the losses incurred by individuals taking care of their family members. Such credit was given only in case of taking care of children under the age of 7 or elderly or sick persons.

In 2002 UK Ministry of Finance allowed tax credit for children with the parents mainly occupied by taking care of the children in the families. Such credit was provided to ensure welfare of children on the first place.

In Iceland as a result of women’s strikes the entire society was paralysed in 1970s. Women were protesting against their labour being unappreciated. After five years the Iceland elected the first woman president in the World, but equality was not achieved at once. 90 percent of women were employed outside their families, but they had to work at home as well. At the same time, the researches revealed that mothers of small children were practically not able to have a stable job, while for fathers children did not pose any obstacles. In 2000 a new system was introduced, according to which in case of childbirth, both men and women were able to take leaves from job. It was putting both mothers and fathers in the same conditions. Both could take three months leave in turn. During the leave they would be reimbursed 80 percent of their average salary from special funds. This ensured increased participation of men at home and upbringing of children.⁵⁹

Conclusions and Recommendations

- State regulation of social sector should be implemented through targeted assistance and active social policy development; introduction of diverse social security schemes; and increased efficiency of the resources necessary for social infrastructure development.
- Efficiency of the social system should be defined according to the extent the State funding reached the layers of the society, which needed it the most. At the same time, it is becoming increasingly necessary to ensure targeted diversification of social protection benefits by taking into consideration gender aspects.
- It is difficult to identify the families most in need, in terms of methodology to be applied. Such methodology is mainly based on the formal criteria of incomes, which reduces the effect of targeting. One-time allowances issued so far have proved to be inefficient and their amount might be too little to reduce poverty.
- Based on international experience, monitoring of poverty levels in poor countries, with the aim of identifying the number of people in need, is less effective, since number of families willing to receive assistance is large, and identification of beneficiaries cannot be based on one or two criteria. At the same time, conducting such monitoring exercise is quite expensive.

⁵⁹ When Women Went on Strike...Available at: <http://blog.doingbusiness.org/2008/04/when-women-went.html>

For example, in Georgia it is enough to be an IDP to be entitled for an allowance. While certain number of IDPs are able to work and they need completely different kind of assistance, which will enable them to generate their own income. An entirely different approach is applied towards women; their assistance often has to do with the care provided to children or family members. Such socio-gender approaches require rationalisation of expenditure, their diversification and better targeting.

- In order for the State resources to be directed towards the segment of the society which needs the assistance the most, it is necessary to establish an income ceiling, which would allow the families to have legitimate claims on receiving certain benefits. Defining the ceiling should be based on the national poverty level and minimum subsistence requirements in the country. Considering that there will be many wishing to receive the benefits, there should be certain limits set in terms of beneficiaries, e.g. families, with the income less than 50 percent of the subsistence minimum, or 25 percent of the official poverty level. It would be also appropriate to add a coefficient of the number of children in the family. Since structure of benefits for such families completely differs from the families with no children.
- At the same time, gender composition of the families should also be taken into consideration and variety of services introduced, which would cover both women and children, without ignoring such well-tried service instruments, as childcare, housing subsidies, etc.
- In many countries there is a practice of issuing credits for children and mothers, which facilitates family development and public recognition of women's labour within the family. This kind of assistance scheme could be piloted in one of Georgia's cities with the participation of NGO and micro-finance institutions, and have it replicated based on the lessons learned.
- It would be expedient to include NGO sector in the process of State social policy efficiency monitoring (monitoring of the households who became beneficiaries of the State). At the same time, it is necessary to involve local self-governance bodies in the study of the beneficiary and social assessment of the families, since they are better aware of the conditions of the families. Local budget activation through budgetary decentralisation would make it more effective in terms of social assistance, since funding social activities through local budgets is less bureaucratic, more targeted and beneficiary oriented, hence, it is expedient to have social functions re-distributed among central and local budgets, as well as local self-governance institutions stimulated.
- Social protection is the main function of the State and local budgets. Currently, relations between these two budgets are not defined not only in terms of fair distribution of transfers, but through decentralisation processes as well. The main burden of social assistance still lies with the central budget. Expenditures of the municipal budgets on social protection include: allowances for power supply and utility payments, travelling by public transport, family benefits, reduced taxes on land, funding of municipal health programmes, benefits and allowances for single mothers, young families, children deprived of parental care, homeless children, people over 90 years of age, unemployed persons and so on. It is more diversified than the assistance system provided through Central budget envisages. Hence, social protection requires active involvement of self-governance in revealing poverty levels among the population and selection of the social groups which require State assistance the most.
- Local authorities should be actively involved in the process of social protection, including its organisational issues, as well as determining the amount of benefits and the ways of their disbursement. Participation of local communities with the prevailing members being women would be very important. Inefficient spending of resources would be reduced and assistance provided would become more targeted. In this view, it would be expedient to have local authorities and NGOs trained for being ready to implement targeted assistance. So far budget does not allocate resources for such activities.

In Georgia, unlike the countries of Eastern and Central Europe, pension system which would be based on compulsory and optional insurance contribution is still in its rudimentary form. The exist-

ting solidarity system will further increase the burden of social assistance over the State budget. If until today it was caused by the deficit of financial resources, lack of savings and weakness of internal financial markets, where private pension funds could invest, currently, this barrier is not that strong, as several years ago. Therefore, the State should start adopting successful schemes operating in the other countries of the world. World Bank experts believe that the reform can be implemented in several stages, and that various stand-alone elements could be introduced at different points of time.

The aim of social policy should be strengthening of labour capacity, which can be done through encouragement of small and medium businesses. In this sector particular attention should be paid to the employment of women, who constitute 35 percent of entrepreneurs, while nominal salary of women engaged in all sectors of the economy is less than the monthly average nominal salaries of the employed men (see Chapter 4).

As a result of reforms implemented in the country, there was a transition from the universal system of social protection to poverty centred assistance. Along with this institutional change, the State should base its reforms in social protection on the requirements set forth by MDGs and Poverty Reduction programmes, one of the key requirements of which is safeguarding gender equality. From this perspective, monitoring of the State and local budgets is central to the establishment of social justice in the country.

Gender Discrimination in Labour Market

Gender segregation of the labour market has deepened. The existing legislation does not protect the interests of the employed population (the majority)

Low income of the population, reduced fiscal resources, and undeveloped market institutions have become characteristic of Georgia in the transitional period towards the market economy, like other post-soviet countries. Political instability, sectoral crises of the economy and unsettled external relations, have contributed to the creation of extreme conditions in Georgia and intensifying socio-economic issues. While all of this has affected labour market development with the dramatic decrease in employment levels, deepening gender and regional disparities and shooting up unemployment levels, especially among young people.

4.1. Gender Structure of the Labour Market

Structure of the Labour Market

In 1990s very limited resources were spent on the implementation of the social policy in Georgia. The allocations were distributed inefficiently, and assistance provided to the unemployed was also unsustainable. The State played minimal role in the distribution of income, real value of salaries was reducing, and although predominantly informal sector was developing, unemployment rates still remained high.

In 1990-2003 situation in the employment deteriorated significantly. It was largely influenced by the shift of labour force to agricultural sector resulting from the changes in sectoral structure of the economy; as well as demographic situation, migration processes and underdeveloped small businesses.

In 1990-2007 the situation in the employment sector saw no significant improvement. The share of persons employed in public sector decreased drastically, unlike the decreasing number of the employed in the national economy, the number of self-employed increased and constituted more than half of the labour force.⁶⁰ Today hired employees comprise only one third of the labour force. And those hired in the informal sector are half the number of those in civil service. Unemployment rate remains 13-14 percent. Vast majority of the employed persons are in agriculture sector, or in family enterprises without pay. The latter constitute one third of the employed.⁶¹

Public sector has a large share at the labour market in terms of the number of employees. Although transition to market economy resulted in four-fold decrease in the number of public sector employees, the share of public sector according to the number of hired staff is still high. In informal sector, self-employed and unpaid workers are the majority.

The existing structure of the labour market in Georgia is mainly defined by demographic, socio-economic and institutional factors. Those employed in informal sector have so far failed to become the main driving force of the economy, which can ensure growing labour productivity in the country.

⁶⁰ This indicator in EU is 16 percent on average. the highest rate of self-employment is in Greece, where every third among the unemployed is self-employed.

⁶¹ According to the data of the Georgian Ministry of Economic Development Department of Statistics

Gender Segregation of the Labour Market

Labour market in Georgia is gender segregated. Women are mainly employed in public sector, where there are 117 women per 100 men, while in private sector, per 100 men there are only 57 women employed.

Table 4

Employment Structure by Gender Women per 100 men in Georgia Year 2006

Population - total	107
Employed - total	91
Of which:	
• Entrepreneur/ employer	23
• Employed	91
Employed in public sector	117
Employed in private sector	57
Of the total number of the employed:	
• Heads of government institutions	36
• Highly qualified specialists	161
• Qualified specialists	159
• Staff engaged in information collection, preparing documents, accounting and services;	254
• Persons employed in trade, service or service related industries	107
• Qualified specialists in the fields of agriculture, hunting, forestry, and fishery;	103
• Qualified specialists in the field of industrial manufacturing, construction, transport, and communications;	16
• Operators, engine drivers, metal craftsman and drivers;	2
• Unqualified labour	5

Source: Labour Market in Georgia, (2006). pp. 11, 31, 33, 35,41

At the same time, out of the total number of the employed, there are 161 highly qualified women specialists per 100 highly qualified men specialists, among qualified specialists – 159 women, while among unqualified labour, there are only 5 women per 100 men.

As we have seen, qualification of women in the labour market is not less compared to men's qualification. However, women have less remuneration compared to men: women's remuneration in 2007 in manufacturing was only 57.3 percent of men's remuneration, in trade, healthcare and social services – 37-40 percent, in construction industry – 67.0 percent, in hotels and restaurant industry – 55.0 percent, in transport and communication – 78 percent, and in financial brokerage – 73 percent.⁶²

If in early 1990s according to all posts, the average salary of women employed in the national economy of Georgia constituted 75 percent of men's salary, by the end of 1990s, it went down to 52 percent, and currently it does not exceed 48.6 percent.

All of these coupled with unpaid labour of women in the households, the importance of which is increasing, reflects gender disparities existing in the labour market in Georgia.

⁶² Men and Women in Georgia (2008)p. 53-54.

Increasing Women's Role in Economy

Crises and poverty have different influence over various social strata, women and men, poor and rich. The crises results in jobs loss, which, in its turn, results in increased value of unpaid labour at households, since through such labour it is possible to produce natural products and services substituting consumer goods having disappeared from the markets;⁶³ Unpaid labour compensates for goods and services received as a result of market relationships. Its main burden is carried by women. They have to spend more time in the household to receive what they could earlier get as a paid service (children's education, healthcare, nutrition and other family chores).

Researches in various countries confirmed, that when men's employment is getting limited, employment among women decreases insignificantly, remains the same, or altogether increases.⁶⁴ Volume of unpaid labour in women increases during unemployment more, compared to men.⁶⁵ Hence, women's employment is more flexible and sensitive to market fluctuations, than men's employment, though 'commercialisation' of the employment, i.e. share of unpaid labour in the total volume of labour costs, is significantly less compared to men. At the same time, women easily shift from professional work to performing family chores, while men are more tied to professional activities; therefore, loss of employment is more painful for men than for women. Average duration of employment resulting from market fluctuations becomes inconsistent among men and women only when the employment rate among men is reducing.

There are several models of various roles of men and women in the society in terms of labour. According to one of the models, men's labour is the main source of financial income for families, and activities and subsistence of women and children are ensured by men's income. A man, as the main source of family income, is characteristic of industrially developed countries and business world, where men are mainly employed, and where their labour is well paid. It is difficult for women to adapt in such world, where there are deeply rooted assumptions that men are breadwinners. Women's labour assumes secondary importance in such thinking. They remain on men's subsistence.

In reality, households employ various strategies for ensuring sustainability of families, which includes women's employment and care provided to other members of the family, which is not expressed in monetary terms, and is not considered as a paid labour.

In Georgia double burden of women is widespread, i.e. women's work at home and paid employment. From the gender picture of the employment, it is clear, that women have to search employment outside the family to ensure increased income of the families. Such double burden is a result of insufficient financial resources brought in by men to meet family needs, which forces women to be active on labour market on the one hand, and on the other hand, attempt to establish her social status. As the figures above show, women are employed equally to men in the labour market, though they are subject to vertical inequality in the reimbursement of their labour.

Small and Medium Business Development

The main problem of labour market in Georgia is insufficient level of SME development. According to the ratio established in 2002-2006, in the total turnover of the business sector, the share of small businesses was only 15 percent, of medium size businesses – 10 percent, and large businessmen constituted 42 percent of the entire turnover. Hence, the share of medium (19 percent) and small (39 percent) businesses is high.

SME sector is a gender sensitive sphere, since it mainly employs women and self-employed persons. This sector has a big employment capacity and access to it should be ensured for all households,

⁶³ In most part it is women who are engaged in unpaid labour for the benefit of public and economy. It implies reproduction ability, upbringing children, taking care of family members and so on. Such labour is a domain of care economy and is one of the oldest forms of gender equality in the word.

⁶⁴ Becker G.S., (1981). *A Treatize on the Family*, Harvard University Press, Cambridge; Sen.A. (1995). *Gender and Cooperative Conflicts*. In I. Tinker/ed/ *Persistent Inequalities: Women and World Development*, New-York.

⁶⁵ Per every 100 men, number of women engaged in unpaid labour at household enterprises twice or more exceeds the same ration among those engaged in paid employment. (Labour Market in Georgia, (2006). Tbilisi, p. 33).

which would significantly facilitate monetisation of unpaid and unmonitored labour, and as a result, acknowledgement of unpaid labour of women being a social labour.

Women and Business

In 2007, within the framework of UNDP Project “Gender and Politics in the South Caucasus”, a research into business sector was conducted, with the participation of the representatives from the Georgian Businessmen’s Federation and members of Chamber of Commerce, as well as organisations, providing serious input into the development of Georgian businesses. According to the average employment indicators, despite men’s advantageous position, the research findings revealed apparent increase in the number of employed women. If in 2006 there were 38 percent of women employed in the private sector, in 2007 their number increased up to 42 percent. The same trend can be seen among people holding leading positions in the same institutions. The research findings showed that women’s involvement increased from 22.3 to 38.2 percent. This trend is prevailing in most countries. Women are increasingly taking up positions at a higher hierarchy of business management.

Although institutional barriers to making business, as well as significant reduction of the number of controlling bodies, has been decreasing in recent years, there are still insufficient conditions for promoting small business development in Georgia. There are no legislative limits for women to be engaged in entrepreneurial activities, however, they find it very difficult to make business. There are many reasons to this: violation of property rights, lack of information about consumer market opportunities, limited access to bank credits and new technologies, absence of sustainable consultation centres (business incubators), and so on.

During last year credits have been issued to 55 thousand creditors by microfinance organisations, such as Constanta, Finca Georgia, Cristal, Credo and so on. The majority of the consumers were women. Those employed in agriculture especially stress on the limited duration of bank credits and high interest rates, which makes their work less efficient.

Bank for the Poor

Dr. Prof. Muhammad Yunus, Doctor of Economy from Bangladesh was awarded the Nobel Peace Prize in 2006, for supporting micro-credit programmes for poor women. In the last 30 years he has provided assistance to six million persons in Bangladesh, mainly women. During this period, his Grameen Bank allocated over 5 billion Dollar credits. Dr. Yunus’s bank was different from other traditional banks by striving to provide financial assistance to the poor, especially women, to overcome poverty, rather than maximizing profit for the bank.

It is noteworthy, that in 1990s Yunus and Grameen Bank were boycotted by Islamic fundamentalists for this honourable initiative. They believed, and not without grounds, that microcredit would facilitate and speed up women’s emancipation, and create imbalance in traditional hierarchy existing in the country.

According to Dr. Yunus, he would use the Nobel Prize in the amount of EUR 1.1 million for building factories producing cheap food products, hospitals, schools, rehabilitation of irrigation systems, and for the people who are in most need.

⁶⁶ Schliemann Manfred, (2006). SME,s and entrepreneurship in the EU. Statistics in Focus: industry, trade and service, 24/2006.

⁶⁷ Report on the sociological research for revealing organization with the best gender balance “Gender and Politics in the South Caucasus” page 2-4

⁶⁸ Muhammad Yunus. Available at: www.answers.com/topic/muhammad-yunus;
Prof. Muhammad Yunus&Grammeen Bank awarded the Nobel Peace Prize for 2006. Available at: www.mitradhuaafaoundation.org/index.php?option=com_content&task=view&id

4.2. Gender Issues of the State Sector Employment

Employed women in Georgia mainly give preference to public sector, as it is more attractive for women today. The same trend is reflected in the fact that there are 23 women entrepreneurs per 100 men, while number of employed women is 91. At the same time, of the total number of the persons employed in public sector, there are 117 women per 100 men, while out of the total number of the employed persons, per every 100 employed men, there are 35 women heads of management bodies, 161 women are highly qualified specialists, 159 are qualified specialists, and 254 employees working on information processing, document movement, accounting and services (See Table 4).

Until 2004 against the backdrop of increasing unemployment, public service was unable to carry out staff reductions, as a result of which, public service system was 'swollen'. Public servants had small salaries. The situation started to improve in 2004 when the Government launched reforms of various State policies. In the Public Service sector, the first step taken by the Government was abolishment of odd institutions and serious reshuffling of jobs. At the same time, for the same level posts various institutions had various post salary packages.

Until 2006 public sector was a field predominantly employing women, however, as a result of reorganisation of the ministries in 2006 – 2008, the number of employed women reduced significantly (See Table 5). The ratio of women holding leading posts also reduced. In 2008 this indicator deteriorated dramatically. At the same time, average monthly salary of women in public sector equalled 80-90 percent of men's salary. All the above stated confirms that reorganisations deteriorated women's employment indicators on the very first place.

Table 4

Number of average full time positions held by women and their remunerations in 2005-2008 in the Ministry of Education and Science of Georgia, the Ministry of Finance of Georgia, and the Ministry of Labour, Health and Social Protection of Georgia (share in the total full time positions, %)

As of 1st January

	2005	2006	2007	2008
Full time positions - total	65.5	56.7	53.1	52.5
Of which:				
Head (Minister and Deputy Minister)	-	11.1	13.3	7.1
Head of the Department or a Structure of Equal Status with the Department	37.5	35.7	29.2	24.0
Deputy Head of the Department or a Structure of Equal Status with the Department	37.9	29.6	29.4	26.1
Head of the Division or a Structure of Equal Status with the Division	25.3	37.8	28.1	39.3
Deputy Head of the Division or a Structure of Equal Status with the Division	37.9	32.0	34.8	29.2
Chief Specialist	70.2	74.1	54.3	70.9
Leading Specialist	72.2	72.0	65.3	67.7
Specialist	36.9	61.2	59.1	70.5
Non-core staff (assistant)	46.2	38.2	37.2	46.0
Average salary of the employees (GEL)	85.0	81.6	81.6	90.0
Of which average monthly salary of :				
Civil Servants	82.2	76.3	80.4	88.6
Assisting Staff	100	100	100	100
Non-core staff	82.6	82.1	34.7	80.2

Source: Men and Women in Georgia (2008), page.50

⁶⁹ As a result of a research conducted within the framework of Gender and Politics in the South Caucasus Project in

Competition in Georgia is increasing along with the reforms ongoing in public service sector. Budgetary organisations are introducing corporate behaviour standards, and public institutions are acting like competing firms to attract qualified personnel. This significantly increases salaries in this sector, but makes certain circumstances ambiguous. For example, should the persons holding similar positions in various public institutions have the same salary package? This issue has not yet been tackled. However, empirical study confirms that up to now, persons holding similar posts in different institutions have different salaries. The second issue is how fair it is. Here we should take into consideration the fact that Georgia is a party to Conventions of an International Labour Organisations, which imposes the obligation of providing equal pay for equal jobs.

At the same time, it is also not clear as based on what principle should additional reimbursements be made, e.g. should fire fighters or policemen have additional benefits due to hazardous nature of their work? If this is so, then why should other people be devoid of benefits, if they speak foreign languages and work at the Ministry of Foreign Affairs, etc? This issue can become gender sensitive; if it turns out that the main beneficiaries of additional benefits are men.

If public sector reforms develop towards market economy, then women will face the same problems, as in the public sector. Public service administrations should define individual pay range for individual public servant based on the individual agreement, which, in terms of staff mobility might be efficient, but the issue of fairness might again be put under question mark. In such circumstances gender disparities will further increase and it is possible to have professional and sexual violence prevailing in the employment sector.

Depending on whether the public service turns into a system similar to a large corporation, with the centralised system of benefits, social and legal protection and pay packages, or a separate State institution, acting like firms competing for attracting qualified staff, gender picture of the labour market might change significantly.

At the same time, along with reforming public service, it would become necessary to adopt a common Code on Public Service⁷⁰, which will define the model that country should follow. In addition, it should also solve gender issues, connected with various terms used for employing men and women, issues of dismissing from the jobs, performance evaluation and pay package. The key principle in defining salaries and distributing posts, should be gender equality. When preparing labour agreements, gender differences should be reduced to minimum, which should be ensured by the Code, since there is a high likelihood that gender contradictions characteristic of a private sector will spill over to public sector as well.

Labour Code and Maternity Leave

According to the Labour Code of Georgia, “Employee is entitled to request a leave for the reason of pregnancy, childbirth and childcare in the range of four hundred and seventy seven calendar days; One hundred and twenty six calendar days are payable from the leave taken for the reason of pregnancy, childbirth and childcare, in case of complicated childbirth or delivery of twins – one hundred and forty calendar days;” (Article 27); Interestingly, even women employed in public sector do not fully utilise maternity leave they are entitled to. In this case, the decision is influenced not only by the fact that paid maternity leave is limited, but also the fact that highly competitive environment forces young mothers to return to their jobs and retain professional qualification. The higher the salary,

Kutaisi and Rustavi, it was revealed that for both women and men, private sector is seen as the most attractive in terms of employment, however, employment for women in the private sector is more problematic compared to men. Only one third of the interviewees believes that women should not face problems in private sector. Hence, the majority acknowledges that labour market is gender segregated. (Results of the Public Opinion Study with the Purpose of Inculcation of Gender Budget in the Self-government (2007). Gender and Politics Project in the South Caucasus. Tbilisi, p. 46-47

⁷⁰ Currently it is regulated by several laws: Law on Public Service, Law on Conflict of Interest and Corruption in Public Service, the Law on Structure, Responsibilities and the Rule of Operations of the Government

the more mothers return to their jobs, leaving the newborns to hired babysitters or in better scenario - to grandmothers. Such trends are taking place in the private sector, though, it should be noted, that women working in the public sector have the rights provided by the Labour Code, more ensured.

There are still cases of discrimination against women at work. At the stage of concluding labour agreements, the employers usually consider it to be a negative fact that a woman is married, is a mother to a large family, i.e. having small children. Women still find it difficult to attain new technologies and develop new skills and competencies, as per market requirements; there are no specialised programmes for women.⁷¹

Other issues have emerged with regards to pension system. If a unified system is established, which views pension as a compensation for services provided in public sector, and is issued according to the number of years employed in the public sector; it will make the civil service attractive, provided that dignified salaries are envisaged for the retired civil servants. On the other hand, a question arises, why should a civil servant receive more pension than, for example, a doctor or a teacher? If the market model of the pension scheme is introduced in the public sector, which views pension as a compensation for inability to work due to old age, then it should be equal for everybody and private pension schemes should envisage additional reimbursement issues. Presently our country is making a choice.

Everything depends on how pension relations will be qualified: would it be a compensation for the services provided by a civil servant, or a compensation for the reduced ability to work? If it is a compensation of inability to work due to old age, then it should be received equally by everyone, however, if it is a compensation for service provided to public, then why should a dignified pension not be issued to the mothers who raised children, and why should their labour and years spent on upbringing children not be included in the pension schemes?

From the gender perspective, it is expedient to develop pension schemes which will consider the time spent by women on upbringing children as the number of years worked, and through reforming of the social security system, ensure participation in private pension schemes. Such activities have been carried out successfully in many countries, and they are still being refined.⁷² By using their lessons learned and adapting to local circumstances, Georgia will significantly move forward to building democracy and fair society.

4.3 State Interventions for the Employment of the Unemployed

Unemployment is one of the most acute social problems in Georgia. Unemployment rate is the highest among the age group of 20-24, and the specialists with high education have the highest share among the unemployed. They constitute one fourth of the total number of unemployed persons. Furthermore, among the unemployed, the share of those having high education exceeds the share of persons having secondary and incomplete secondary education taken together.⁷³

In 2005-2008 women's unemployment rate was much lower compared to men. In this period share of women having basic general education among the total number of unemployed reduced, but the unemployment increased among women with higher education levels. The same trend can be seen among men.

⁷¹ Millennium Development Goals in Georgia, (2005). p. 22

⁷² For example, in South Korea, USA and Canada and other countries. Replicating their experiences in Georgia requires special studies;

⁷³ 2002 National census showed that in the Georgian economy only 12 percent were employed by their high education profile and profession.

Distribution of Unemployment by Education (Share in the Total Number of Unemployed, %)

Table 6

	2005		2006		2007	
	Women	Men	Women	Men	Women	Men
Primary general education	0.1	0.3	0.1	0.3	0.1	0.0
Basic general education	1.0	3.5	1.6	3.1	1.8	3.1
Secondary general education	11.0	20.9	9.2	22.4	11.3	20.5
Preliminary professional training	3.8	4.6	3.4	3.7	1.8	2.1
Secondary professional training	10.0	5.8	9.0	7.1	10.0	6.9
High education	17.0	21.9	16.4	23.5	20.0	22.4
Total:	43.0	57.0	39.7	60.3	44.9	55.1

Source: Men and Women in Georgia (2008), pg.47.

One of the steps taken by the Government of Georgia to reduce unemployment was the implementation of employment programme in the second half of 2006, envisaging provision of support to 50 thousand persons in entering labour market. By official statistics, the highest demand from entrepreneurs was on the professions requiring relatively low qualification, such as: cleaner, worker of the cleaning services, insurance agent, advertising agent, distributor, security guard, shop assistant, waiter/ waitress, transporter and distributor of newspapers.⁷⁴

As a result of the programme implementation, situation practically did not change on the labour market. It had more effect of a moral support to the unemployed. The initiative envisaged short-term employment and provision of three month stipends to the beneficiaries, but it did not so much envisage development of new professional skills and competencies. The programme looked like a charity action and it could provide for neither professional development nor employment opportunities.

Later the approaches changed, and new initiative emerged, instead of three month paid employment, it was planned to issue cheap credits to support small businesses. It envisaged provision of credits for employers in the tourism sector, and SME's in agricultural sector, who could apply to Government for five-year loans. A commercial bank was tasked to provide administrative support to the programme. At the same time, the decisions on issuing large loans were taken by the Ministry of Economy of Georgia. This programme was also a temporary intervention in the labour market, and its effect on the employment was more tangible, than of the previous programme.

The second programme was launched in the summer of 2008, however, due to deteriorating political situation in autumn, it was not concluded in the same year. It ended early in 2008, though without any major results. Due to large flow of the displaced population having emerged in the beginning of 2009 as a result of Russia-Georgia war, the situation on the labour market deteriorated even further.

Conclusions and Recommendations

- Labour market in Georgia is still being formed and is extremely inefficient. It is segmented, displaying clear gender asymmetries.
- State regulation of the employment sector is still in rudimentary form. Registration of the unemployed has been suspended, and they find themselves without State support, as a result of which, due to extended unemployment, the risk of them eventually joining the poorest strata of the society has increased even further.

⁷⁴ <http://www.government.gov.ge/mtavroba1158838227.php>

- It is a common knowledge, that after being dismissed from her job, a woman has a less chance of being re-employed, and she mainly continues working in the household. Existing social infrastructure further impedes women's professional development opportunities, compared to men. What does the State offer them to compensate for the dismissal from their jobs? What State measures are envisaged for women to have the level of professional education to freely compete with men? Answers to these questions are not given in the financial policy of the State. State budget abolished a budget item on vocational training for the unemployed, due to which, the unemployed were left on the mercy of temporary interventions of the Government.
- According to the liberal economic model, executive authorities should not be taking the responsibility of employing the population in the business sector; its activity towards increased employment should be expressed in having full-fledged legislative framework along with the favourable environment for business development, which would contribute to creation of jobs. At the same time, the State should widely use conclusions and recommendations of the researches carried out by private bodies and institutions ordered by the State. With this purpose it would be expedient to announce tenders on training and re-training, and involvement of private institutions in this process.
- It would not be appropriate to disregard programmes for supporting the unemployed. While the Labour Code of Georgia does not oblige the employer to pay any compensation to the dismissed staff, the State should take the obligation of forming the institutions through legislative work, which would help the dismissed staff to get training, assistance and re-employment opportunity.
- Sustainable institutions for vocational training of the unemployed should practically be set up; they would facilitate increased employment, among young people, on the first place, where economically active group is utilised the least, and where the unemployment rates twice exceeds the average national indicator.
- One of the central directions for the elimination of structural unemployment should become rehabilitation of the crumbling vocation education system, and implementation of vocational programmes for professional re-training according to the requirements of the modern labour market.
- Special attention should be paid to providing access to professional education for children from poor and unemployed families, which is the pre-condition for these families to overcome poverty. It is necessary to carry out reforms in the field of professional education, which today cannot produce highly professional specialists, and professional education is mainly received only after the person is employed at a specific place.
- Vocational/professional education in Georgia has fragmented, temporary, sort of campaigning character, and only when the Presidential programme is announced. Those dismissed from their posts, including from public service, are not entitled to compensation (unlike most industrial countries). From this point of view, gender situation is even graver. Women being paid less than men are a result of their education and low productivity of labour. With this purpose it is necessary to develop trainings and continuous education programmes for women, and their subsequent introduction.
- Absence of gender evaluation and monitoring of State interventions on the labour market makes it difficult to see the gender situation. Gender statistics of the labour market should be maintained on regular basis.
- The key direction of the social policy should be development of people's labour capacity, which could be facilitated through stimulation of SME sector.
- In the entrepreneurial field, the analysis of access of households to credit should be made, in terms of how efficient are activities of microfinance organisations in the development of entrepreneurship, and the role and influence of credits on employment and poverty

reduction.⁷⁵

- It is appropriate for the State to participate in microfinance schemes. Such support is especially important for developing small businesses and facilitating reduction of unemployment in the labour market. At the same time, it should be noted that such programmes are very gender sensitive.
- In many countries they have the systems of assistance, such as: credits for mothers and children, which facilitate family development and public recognition of women's labour within the family. Such models could be piloted at one of the towns of Georgia, with the participation of local authorities, NGOs and microfinance institutions to have them replicated based on the lessons learned.
- Poor population in rural areas have less access to credits. To improve the situation, State policy should be directed towards creation of a system of credits and subsidies, which would make it possible for land and real estate to serve as collateral. In investing and issuing credits in the field of agriculture, equal attention should be paid to marketing activities and price stimulation. These measures would ensure increased production and development of household economy.
- Unfortunately, there is no centralised information bank, gender segregated information in the public sector, and namely, in the institutions receiving State funding, as to on which post, with what qualification, and what kind of salary men and women serve. Provision of such information should become mandatory for each institution receiving State funding, and reflected in their budgets, to see how equal employment and salaries of women and men in public sector are.
- Local authorities should create database, containing information on demographics, classification of the unemployed, education, demand on labour force, etc. It should facilitate organisation of trainings on the issues of small business, creation of resource centres, which would be supported by local authorities.
- We find it expedient and realistic to utilise growing portion of State budget revenues on the development of country's infrastructure, the rural infrastructure on the first place. It would allow people to pursue small scale trading and micro businesses. Poor water supply systems in many villages hamper development of household economies, and deter rural economic development compared to urban areas. The same should be said on the energy system, which does not ensure pumping of water and their supply. Infrastructure development, along with the improved conditions of living and communication, will increase employment levels nationwide. In these activities, foundations having social orientation could play a significant role. In this regard, formation of investment funds should be intensified.
- Attention should be paid to the employment of youth and their pastimes. With the help of authorities, attention should be paid to provision of young people with temporary (student) employment opportunities.
- In Georgia there has formed a special stratum of the society, so called "land workers", who are letting their workforce and cultivating other people's land. They are moving from village to village or, towns in search of work. Their shelters are stations, markets, etc. They do not have any individual or social protection guarantees. Price of their labour is so cheap, that they cannot afford water and power supply, or medical assistance. They often do not have housing, and there is a high risk of spreading various diseases.

⁷⁵ According to World Bank in 2008 Georgia moved from 18th to 15 position in the ranking by Doing Business. In terms of access to credit it is on 28th position. In 2007, Georgia ranked 61st according to this criteria (www.Doingbusiness.org). According to freedom index of the Heritage Foundation, in early 2009 Georgia ranked 32st among 179 countries. According this ranking it is falling under the group of moderately free countries. Freedom index implies freedom of doing business, fiscal independence, protection of property rights, freedom of labour level of corruption, State participation in the economy and so on (<http://www.heritage.org/index/Ranking.aspx>)

For such groups of people creation of temporary jobs or establishment of “information centres” would facilitate to coordinate targeted movement of job-seekers on the countries territory.

- NGOs can play a big role in the issues like: provision of care for the elderly, medical assistance to the disabled, environment protection, rehabilitation of social institutions, conducting sanitation works, rehabilitation of social infrastructure, and so on. Programmes for the creation of additional jobs would boost private sector activities. Local authorities should also be involved in these programmes, to have authority over the provision of temporary working places locally.

Gender Initiative of the European Bank for Reconstruction and Development

On 4 December 2008, meeting with the civil society organisations was held at the headquarters of EBRD in London. Representatives from EBRD, London academic circles, Gender experts from Serbia, Bulgaria, Czech Republic, Germany, Georgia and U.K. took part in the meeting.⁷⁶ EBRD initiative and mainstreaming of gender approaches into Bank activities are especially remarkable against the backdrop of the world financial crises, when special attention is assigned to mobilisation of financial resources and maximum utilisation of human capital and capacities. The meeting stressed on the fact that working in post-transit countries in this direction was inefficient. In the process of economic transitions, considerable portion of the population had unfavourable conditions for realising their labour capacities. This is especially true for women, which was reflected in their socio-economic status as well.

Stimulation of women’s active participation in economy, increasing investments into women’s entrepreneurial development would contribute to increased productivity and efficiency of labour in the business sector. When women are given equal opportunities for professional development, trainings and employment, companies are freely diversifying labour force. The researches have shown, that appointment of women at high management positions in the companies, contributes to improved company management, production and successful business operations.⁷⁷

During the meeting, issues were identified to be taken into consideration by the Bank in its future work. Namely, revisiting of credit policy, allocation of a targeted credit line for women, which would increase access to financial capital of socially vulnerable strata of the society; support to small business would significantly reduce number of unemployed in the country; attention should be paid to development of competitive workforce based on market demand; it is necessary to support local market, to ensure the producer with the possibility of selling its produce with the least losses. Also, the attention was paid to the need of conducting gender assessments for better donor coordination and transparency, project implementation and investment.⁷⁸

⁷⁶ www.ebrd.com/oppo/ngo/news/index.htm

⁷⁷ Addressing Gender Issue in ERBD Operation: Analysis and proposed Action Plan, (2008). p.7

⁷⁸ www.ebrd.com/oppo/ngo/new/index.htm

Gender Aspects in Education Sector

*Increased investment into education sector
should become a major strategy
for the country's development.*

5.1 General Overview of Education Sector

Education sector in Georgia implies pre-school, general, professional and higher education stages. General education covers primary and secondary education institutions, professional education – primary and secondary professional institutions and specialised schools. Higher education system covers undergraduate, graduate and postgraduate education.

Reforms launched in 2004 – 2005 fundamentally transformed the systems of general and higher education, namely:

- 3 level, 12 grade general education system has been introduced;
- Entrance examinations to higher education institutions were abolished and national examinations have been introduced, which has significantly contributed to the creation of equal opportunities and equal learning conditions at higher education institutions; to establishing equality in terms of State funding, students' assessments and equalisation of conditions for entering higher education institutions (especially between rural and urban areas);
- Resource centres have been established, which provide schools with specialists equipped with up to date skills and education, as well as other resources; they are also conducting training and re-training of teachers;
- New Law on General Education has assigned active role to parent-children institutions in school management, while the Law on Higher Education, has brought the higher education institutions closer to European standards, and has abolished two-stage system of obtaining scientific degree – “Aspirantura” – which was inherited from soviet period; and instead has introduced stages of undergraduate, graduate and post-graduate education.

As a result of the reforms which started in 2003, education system was transformed through abolishing elements having inherited from the Soviet times. These reforms have altered the trends, which appeared due to widespread poverty, though the issue of equal access to quality education by all social strata still remains high on the agenda.

5.2 Gender Issues in Education System

Pre-school Education

In 1990 – 2008 in the system of pre-school education the number of institutions was reduced drastically. In 1990 – 2000 pre-school institutions were reduced by half, while the number of teachers - by three. This trend continued in the subsequent years as well.

In 2005 instead of supporting kindergartens and children's institutions, a childcare programme was initiated, and grounds were laid for programme funding in this field; and reorganisation of pre-school institutions was carried out.

Pre-school education has become the domain of both private funding and self-governance. As a

result of drastic reduction of employment, childcare has shifted from pre-school facilities to the families, and its burden has been mainly borne by mothers and other members of the family. This especially affected poor families. As a result, the significance of women's labour in the family was increased, which considerably reduced its share in active labour force. Economy of care has occupied substantial part of women's time budget, which notably influenced women's socio-economic status.

Secondary Schools

In the system of general education, which implies seven phases of learning with 12 years of duration, high rate of registered students have been maintained, however attendance of students changed after 1990s. In 1989 secondary schools with two-stage 10 year learning, covered 99.6 percent of this age group. At the same time, attendance of boys and girls corresponded to their share in the given age group of people, which means that there were no gender issues in this age group.

In the basic education system (grades I-IX) number of children among the age group of 1-14, were more or less uniform (90 percent in 2000), though this indicator later declined, witnessing reduction of students especially at the stage of optional secondary education (grades X – XI).

In 1990 – 2000 number of children at schools reduced by nearly 30 percent, while the population in 2002 reduced only by 20 percent compared to 1990.⁷⁹ This shows that secondary education no more covered absolute majority of the school-age children, which was due to economic, political and ethnic factors developing in Georgia. Essentially, it was poverty, level of family income and growing self-employment which had its affect on the attendance of children at school. It is noteworthy that in this period, except minor exceptions, there were no significant disparities in terms of gender.

In 2000 – 2008 the trends of the previous years continued with the further decrease in the number of students attending State institutions for secondary education, however with a slower pace, than in the previous years. Number of students at secondary schools among the age group of 5-19, reduced by 11 percent in 2005 compared to 2000,⁸⁰ of which the decline of 9 percent was recorded in urban areas, while 12 percent of decline in the rural areas. In 2008 the number of students further decreased by 4.2 percent, compared to 2005, of which 8.3 percent reduction was among girls, and 1.3 among boys.

The decline in the number of students at schools might be explained by the fact that poverty is more widespread in rural areas compared to cities, and this compels the rural population to resort to child labour in households, which, in most cases, is done on the expense of school attendance. Reduced number of students at higher grades is a result of employment of youth labour in the household for the purpose of increasing family income. These processes are especially evident in rural areas.⁸¹

According to the research findings, poor students within the age group of 10-15 years old, miss their classes more often, especially in the villages, compared to the children from well-off families in the cities,⁸² which along with other factors, can be explained by the fact that girl's labour is predominantly used in the households. Often, when parents are engaged in heavy physical labour on their agricultural land, girls from this age group are busy with household chores (cooking, taking care of younger children and so on). At the same time, this is also resulting from the fact that until 2005 education system was at a very poor level, with frequent un-attendance of teachers, poor logistical management, lack of textbooks and other necessary equipment. The situation improved and many schools have been provided with necessary equipment and IT technology; schools were refurbished and heating systems installed, however many problems are still to be tackled. The situation is especially grave in the schools located at high mountainous regions of Georgia.

⁷⁹ According to 1989 sensus data the population of Georgia was 5.4 million persons, while in 2002 it was 4.3 million.

At the same time, this figure does not include the population living in the breakaway regions of Georgia in full

⁸⁰ Here and elsewhere in this publication the number of population is taken according to the results of 2002 sensus.

⁸¹ Gender Research into Education Sector in Georgia, (2004), UNICEF .

⁸² Georgia – Public Expenditure Review (2002), World Bank

One more gender regularity has been observed: at all three stages of general secondary education, average number of boys slightly exceeds the number of girls. At the first stage (primary education) and the second stage (basic education) number boys exceeds the number of girls, which corresponds to the proportion of boys and girls in the population in the same age group, however, at the third stage (general secondary education), number of boys is less than that of girls, which could be explained by the fact that at this stage boys are mainly moving to primary professional educational institutions.

Hence, at all three stages of school education, gender balance is mainly observed. At the same time, among ethnic minorities in Georgia, drop out of girls from schools is due to early marriages. In terms of child labour, boys are mainly engaged in profit making activities, while girls are mainly engaged in unpaid labour.⁸³

Secondary Professional Education

It should be noted from the beginning that State vocational and specialised education system is characterised by gender disparity. With the overall decrease in the number of students at professional education institutions, the share of girls turned out to outweigh that of boys. At this stage of education, student girls were absolute majority. At the same time, number of persons having received incomplete professional education has decreased, with the majority of them being boys. Hence, boys were not only a minority in professional education institutions, but also, they were predominantly dropping out as well.

This could be partially explained by poor discipline existing in the vocational education institutions, and low quality of teaching. Generally, boys are less compliant with school discipline than girls.⁸⁴

The main reasons for dropouts according to priorities were as follows: 1. leaving the country; 2. starting working; 3. expulsion from school; 4. marriage; 5. death; 6. illness.⁸⁵

In terms of teachers' employment, some negative developments were taking place from gender point of view. In vocational education institutions, with the overall decrease in the number of teachers, the share of women teachers reduced the most. This, on one hand, points at the increased share of men teachers, which is positive development for the education system, however, on the other hand, this has resulted in the increased number of women, who have joined passive labour force as a result of unemployment.⁸⁶

Overall, at this stage of education, the number of both teachers and students are decreasing, which is a result of changes in the segment of the labour market, as well as poor quality of knowledge received at these institutions.⁸⁷

Proceeding from all the above-stated, we can conclude, that vocational education institutions are characterised by high degree of student dropouts. At the same time, it still remains the domain of mainly women teachers; and the gender disparities and old-fashioned teaching system does not provide for quality education. As a result, the dropout of students, especially boys, from these institutions is high.

In 2008 serious work was launched to support vocational education. Currently, boys are the

⁸³ Gender Research into Education Sector in Georgia, (2004), UNICEF 2004. p. 11

⁸⁴ In order to have a full picture it is necessary to include gender issues in household surveys, which would enable us track the causes of gender disparities.

⁸⁵ Education, Science and Culture in Georgia, (2006). Statistical Publication. State Department of Statistics, Georgia <http://www.statistics.ge>

⁸⁶ It is characteristic of women who were made redundant to be employed in the family and have passive attitude towards finding a new employment, or be self-employed in less prestigious or less-paid field.

⁸⁷ The example of this is complete failure of Georgia welders competing with Turkish colleagues in 1990ies when working on Baku- Jeihan pipeline; failure of Georgian wine-makers in the tender announced by Spanish winemakers, high competitiveness of foreign workers in the construction business and so on.

absolute majority among the persons having incomplete professional education, at the same time they constitute the minority among the students as well, which requires serious reorganisation of this system. However, in the State budget design, activities in the field of professional education, supervised by the Ministry of Education, and vocational education, which falls under the authority of the Ministry of Labour, Health and Social Affairs, are split from each other, and currently, none of the ministries have taken full responsibility on the vocational education.

Higher Education

Higher education is one of the main priorities of the Georgian Government, which defines economic competitiveness of the country. Based on international research findings, the country should have at least 30 percent of persons with higher education to ensure high pace of development. Currently, the share of the persons having higher education among the population of 15 years of age and above is 22 percent. At the same time, the spread of persons with higher education in rural and urban areas is uneven. The number of persons with higher education in urban areas exceeds three times the number of higher education institution graduates in the rural areas, which results in different rural-urban levels of economic development.

In this situation, it is necessary to provide the agricultural sector with human resources, creation of equal conditions for the rural population at all stages of education, increasing access to higher education, as well as retaining priorities of social equality in medium and long terms strategic schemes, and ensure increase in the number of persons with higher education along with the improved quality of education.

Gender balance among the students at higher education institutions in Georgia is nearly equal. Equal gender balance in education is ensured by traditional way of thinking in Georgia, which acknowledges the need for educating both men and women. Besides, traditionally, much attention is paid in Georgia to women's education, since she has to subsequently transfer her knowledge to her children. She has to take care of the family, which, apart from basic education, requires from her the knowledge of the disciplines, like, medicine, biology, chemistry, etc.

Despite gender balance maintained in higher education system similar to secondary professional education, the share of incomplete higher education is high among men. Women outnumber men among the persons with higher education, though professional advancement of women later on is hindered. At graduate and post-graduate levels number of women exceeds men, however, among the graduates they are the minority. This confirms that due to family and other circumstances, women are unable to complete their education. Hence, in the professional development of women the curve is stable up to postgraduate level, while afterwards it is going downwards.

There is a gender imbalance in the employment of teachers at various education stages. Traditionally, at the stage of general education, 80 percent of teachers are women, while at a later stages, share of women reduces. Among the total number of professors and teachers at higher education institutions, women teachers' share is nearly half.

Thus, we can conclude, that gender balance changes at postgraduate level in favour of men; it is true that gender balance among professors and researchers at higher education level is equal, though further professional development opportunities are mainly provided for men, while women's development is hindered.

⁸⁸ Available at: <http://www.ecsocman.edu.ru/univman/msg/153450>.

⁸⁹ From this point of view, 2005 was a year of fundamental changes, since the introduction of national examinations and eradication of corruption facilitated increased access to high education for the poor as well as rural population.

⁹⁰ Men and Women in Georgia (2008), (2008). p 24.

⁹¹ Men and Women in Georgia (2008), (2008). p. 30-31.

5.3 State Funding of Education System

Until 2006, State system of education was based on the principle of funding the costs, in which the labour costs had the highest share. Nevertheless, its volume was much lower than the subsistence minimum. This was one of the reasons for low motivation of teaching, high rate of un-attendance and share of teachers beyond pension age.

At all levels of education capital costs were low as well. The system of professional training of teachers was not operational. There was a lack of school equipment, libraries and teaching materials at schools. Due to lack of funding and maintenance, buildings of many education institutions were damaged significantly. Various regions were at unequal conditions compared to each other. Urban areas had certain advantages, which, in turn, were resulting in inequalities in terms of access to complete education, especially in poor regions.

State resources in Georgia were inefficiently and unequally distributed according to education types and stages. In 2000 – 2004 financial resources were not optimised, due to which allocations for general education institutions were insufficient for their development. Allocations for professional education, despite their considerable share, were too fragmented and inefficient, while the share of private sector and number of institutions was consistently going up in the higher education sector.⁹²

Starting from 2005, budget allocations for primary education were carried out according to new system. Instead of covering the costs of general education schools, the foundations were laid for student-based funding system, to which teachers' salaries were tied as well. With this purpose, schools were turned into legal entities of public law (LEPL) and public monitoring and management system was established for the management of State allocations. Practically, schools and professional education institutions moved to programme funding, while higher education system - grant funding, resulting in abolishment of the system of cost-based funding.

2006 was a year of a fundamental changes in the reforms carried out in the Georgian education system from financial point of view. Funding of the education system was based on considerable State investments. Spending in education sector increased 3.1 times while in 2000 – 2005 years the average growth was only 1.3 percent. At the same time, the share of expenses on education in the total State expenditure was 3.2 percent in 2000 – 2005, while in 2006-2008 it increased by an average 8.6 percent.⁹³ As a result if in 2005 State spending on education per person was USD 1.09, in 2006 it reached USD 6.5.

Overall, in 2006- 2008 State spending in education system regularly contributed to 2.4 percent of the GDP, and although compared to previous years, the funding was considerably increased it is notably less than the similar indicators in the countries of the Organisation for European Cooperation and Development (OECD), where it constitutes 4.9 – 6 percent of the GDP.

According to 2002 data, OECD countries spent 85.8 percent of their funds on primary and secondary education from the allocations received in this sector, and 70 percent of the State budget allocations for the overall State education budget. At the same time, in these countries, State funding of

⁹² In the education system there is no optimal benchmark for private funding. Its share in the total education budget differs from country to country. For example, in the U.S. the share of private funding in total spending on high education is 54 percent, in Korea – 85 percent, in Denmark – 2.1 percent. In the OECD countries on average – 21.9 percent <http://www.oecd.org/dataoecd/2/10/35286398.xls>; In Georgia increasing share of private funding was resulting from the increased number of private education institutions in the conditions of non-existence of State system for accreditation and quality control. As a result, many institutions were founded, which did not have education, but had low fees. Following 2004 reforms in Education system they were abolished and education fee has increased. The absence of respective data does not allow for precise analysis of to what extent has the increased share of private funding in education has influenced the social conditions of the poor.

⁹³ From 2006 onwards, portion of the revenues mobilised, which earlier belonged to the local budget, moved to Central budget treasury account, which has contributed to the increased Centralised financing of education. This was justified by the fact that the school management was handed over to the Ministry of Education with the aim of reforms implementation.

higher education systems amounted to 71.1 percent of the total spending in this sector.⁹⁴

In Georgia, priority in education system funding was given to general education costs, which contributed to over two thirds of the total education spending of the State budget.⁹⁵ Increased funding on secondary education was undoubtedly a progressive step. If in 2000 – 2004 secondary education received 28-30 percent of the total State budget allocations for the education system, with 45-50 percent on higher education and 18-28 percent on professional education, in 2006 – 2008 the spending on higher education was 11-12 percent, on secondary education – 75 – 79 percent, while on professional education – 11-12 percent.

Today, the priorities of the State funding are mandatory for basic, secondary, and partially higher education. Boarding schools for the disabled children requiring special learning conditions and care are also recognised as a priority for State funding.

Hence, according to the sectors of the education, financial structure has changed drastically, and funding priorities have been defined. Positive outcomes of these changes will be tangible only after this system covers all four stages of education. In this period, meanwhile, restructuring of these institutions, staff renewal, introduction of new curriculums and other activities are being implemented. This transitional period will significantly influence teachers and their financial conditions, especially those who will become unemployed.

It is impossible not to acknowledge that despite significant improvement in access to education resources as a result of the reforms, through introduction of national exams, State allocations on the education system are unequally distributed among various social strata and various social groups have unequal access to the existing resources.⁹⁶

Since the changes in State funding structures, State system of reimbursement of teacher's labour changed as well. Funding in education sector is traditionally low. In 2006 in secondary schools, there were GEL 212 allocated per teacher, while in the primary professional education institution, the funding was GEL 79 per teacher, at secondary professional institution – GEL 38.3, and GEL 142 in higher education institutions. In the following years, despite increased funding, education institutions remained in unequal conditions.

Fair distribution of State spending in the education sector is closely linked with the disparities among those entering higher education institution, by social groups. There is a direct connection between poverty and education levels. Investments in education are one of the sustainable ways of reducing poverty and supporting social equality. The poor are devoid of opportunities to increase their income. Children from extremely poor families cannot afford receiving primary and secondary education, since they are unable to cover the costs of textbooks, learning materials and equipment. Poor families are characterised not only by low education levels, but also by early child labour, therefore, the children are losing education opportunities by age.

Households usually turn to private tutors for preparing their children for national exams, which increases their expenditure on education and their competitiveness. Poor families have no access to the services of highly qualified tutors. At the same time, unstable education infrastructure (dormitories, transportation, education literature, nutrition costs, etc), increases costs and makes education less accessible. Therefore, only small portion of the students from poor families are continuing their education at higher institutions. All the above factors are defining access to higher education.

It is a common knowledge that the more educated the person, the more protected is the family, while women have less time to increase their level of education, compared to men. State investment

⁹⁴ OECD Data Base http://www.oecd.org/statisticsdata/0,2643,en_2649_37455_1_119656_1_1_37455,00.html;

⁹⁵ In OECD countries education allocations are 70 percent of spending on average. (<http://www.oecd.org/dataoecd/0/60/35287543.xls>)

⁹⁶ As of now household spending on education has not been researched. According to the results of the studies in the household budgets carried out in 1999, poor families spent approximately GEL 1.5. i.e. slightly more than 2 percent of their budget on their children's education. While, the well off families were spending approximately GEL 149 per child, i.e. 5 percent of their total spending.

in human capital, namely in the professional development of women, would significantly contribute to family development.

In Georgia, as well as in other countries, women teachers outnumber men in State secondary education institutions, which create gender disparities in this sector. Lack of men in the education sector affects the teaching process. Due to poor subsidization of this sector, it is less attractive for men. And although women and men are equally represented at higher education institutions, women find it more difficult to advance at every following step of professional development. If we take this factor into consideration, then the reforms taking place in the education system are painful for women with low qualifications (laboratory workers, assistants, teachers and so on) in gender terms, since they are the ones falling under the high risk of losing employment.

Continuous education in education sector is the direction of the current policy, one of the stages of which is increased professional qualification and re-training for social workers and teachers. Their majority constitute women. Hence, essentially importance is assigned to provision of training opportunities for increased specialised qualification, which should become a critical condition for women's employment.

Changes in Funding Education Sector from the Local Budget

Prior to the reforms in the education sector, local governance bodies were obliged to finance preschool institutions, secondary schools, some of the specialised schools and other education institutions. Part of the local resources was allocated for specialised schools for disabled children, professional and technical institutions, and higher education institutions in some regions. Local budget allocation on education constituted 80 percent of the total education budget. For this, local authorities had two sources of income – transfers from the State budget and local taxes and incomes. Since poor regions often did not have enough local revenues for funding education institutions, transfers from the central budget were very important for fair financing of the education system to ensure equal education opportunities for wider circles of the population on various territories. Major cities were in better condition in terms of local revenues. Transfers contributed to 40 percent of the local education budgets on average, of which 80 percent was spent on teachers' salaries. This indicator was much higher in relatively poor regions, which did not have enough local revenues to finance local State education institutions.

Under the transfer system of funding, central authorities exercised minimum control over the regions as well as education spending in the regions, and practically had no possibility of assessing the outcome and efficiency of central and local education spending. Starting from 2005, funding of general education schools became the responsibility of the central Government, and the Ministry of Education took up the responsibility for its development. Hence, the Centre to some extent reduced the influence over the local governance authorities. As a result, the role of public in the monitoring of school funding has increased. Although provision of allocations from the central budget, considering poor financial resources of territorial bodies, was a positive development, in the future perspective, increased participation of women for improved school development in local self-governance will require changing the scheme of funding and activation of the budgets of the local territorial units.

Conclusions and Recommendations

Government launched fundamental reforms in Georgia with the aim of increasing human resources, as well as efficiency and competitiveness of education system. The reforms envisaged development of education services and improved quality of education. Reorganisation of the sector has been launched.

Along with the implementation of the reforms in Georgia, gender disparities at various stages of education were evident among students and teachers. At the same time, access to quality education for the poor remained insufficient. From this angle, we find it appropriate to carry out measures to achieve social justice and gender balance, which would be a significant precondition for reducing disparities among various social groups in terms of access to education.

Institutional Aspects:

1. At various stages of development overall gender balance of students is more or less maintained. Among the students of various sexes proportion is sharply different at primary and secondary professional education levels. If at the level of primary professional education number of boys significantly outnumbers that of girls, at the level of secondary professional education, girls constitute absolute majority. This problem requires taking measures to ensure equal opportunities of receiving professional education for young people of all sexes.
2. At the primary and secondary professional education levels, to eliminate gender disparities it is necessary to carry out structural reforms at the institutions of this sector, reorganisation and improved quality of teaching, maintenance of gender balance among teachers, and attraction of men teachers, which would contribute to retaining of boys at the level of secondary professional education; introduction of the professions, which will enable the graduates to get employed respectively; maintenance of gender balance through introduction of new re-training programmes for women teachers.
3. The system of professional education is a field, in which significant importance is assigned to maintenance of gender equality and support in the employment of both men and women. As a result of rationalisation of this sector, surplus teachers have been dismissed. This is a very painful process, and its negative social outcomes were reflected in the unemployed women teachers. To reduce the affect of these factors, it would be expedient to develop employment programmes for women and provide special support in their training;
4. Special attention should be paid to access to education by the poor. Despite the fact that the reforms have significantly increased the access to education of this stratum of the society at all education levels, disparities still exist, and they require the following:
 - 4.1. Provision of textbooks and equipment to secondary education schools by the authorities and municipalities, at a later stage – introduction of mechanisms for borrowing textbooks and other cheap market mechanisms;
 - 4.2. In the system of higher education, development of respective infrastructure, student allowances and dormitories. It is a common knowledge, that the more students live independently, the more financial assistance they require, and the more they are trying to utilise their young efforts in education sector, the more support programmes they require. Reforms in the field of higher education have contributed to the increased involvement of youth both in rural and urban areas, which has increased the demand on the infrastructure. Development of education infrastructure is a necessary precondition for retaining students and improvement of the quality of learning. Establishment of a special fund would contribute to the development of education infrastructure both for higher education institutions, as well as secondary professional institutions;
 - 4.3. Wide introduction of successful systems of subsidies and credits, as well as provision of State support would improve funding of poor layers of the society and their access to education. Based on the study of the social profile of the students having entered higher education institutions through national examinations, it would expedient to provide them with education infrastructure (student allowances, dormitories, textbooks, etc), and establishment of a special fund for these purposes, which would provide funding for similar programmes;
5. Increasing gender researches among master's and PhD theses, and introduction of gender programmes in the postgraduate education sector, which would support professional advancement of women and development of student families;
6. In the school education, provision of special civic education trainings for the members of school supervisory boards, and professional development of women in this field, which would improve school management and monitoring of the teaching and learning process;
7. Increasing prestige of the teaching profession, providing incentives for this profession, which

would significantly improve the gender balance among teachers;

8. Improving gender statistics and researches to identify various behaviour among teachers and students, their social status, and motivation, which will contribute to maintaining gender equality and development of targeted social protection mechanisms and programmes in education sector;
9. It would be appropriate to include gender issues into University research programmes, development of new learning programmes and teaching according to various disciplines;
10. Analysis of textbooks and teaching programmes by taking into consideration gender aspects is important for eradicating old fashioned gender stereotypes.

Financial Aspects:

11. Optimisation of State funding in education sector and bringing it close to EC indicators would be possible to achieve through rationalisation of large number of professional institutions with narrow specialisation, higher education and research institutions;
12. Due to increased proportion of the poor families in the country, who are unable to invest significant resources into their children's education, while the services provided by the education system, is still far from the requirements of the economic development of the country, it would be expedient to increase State funding, by retaining the trend of increased private funding in the sector;
13. International experience shows, that there are no solid arguments in favour of State funding for professional education, however, considering the fact that the private sector in Georgia is unable to produce highly qualified specialists, we believe, that State responsibility and investment should increase until rationalisation of the labour market is achieved and the incentives of the private sector are high enough to start investing in education;
14. Stimulation of private institutions with the aim of attracting investments, credits and subsidies into education sector, ensures preparation of highly qualified specialists for the private sector, and it should be carried out along with the development of a respective tax regime. At the same time, it would expedient to form education securities and further development and stimulation of education credit mechanisms, which would speed up targeted funding of this sector, and by this, significantly improve the opportunities for the poor and young families to further pursue high quality education;
15. For women to be able to develop professionally, it is necessary to introduce special allowances and incentive schemes for those who become mothers, and who have to make a choice of looking after their children and their families on the expense of their professional development. Such schemes and allowances should aim at supporting women in their family work, and freeing their time for their professional development. It would also be expedient to design special incentive awards for women, who have a achievements in the field of science, as well as encourage their scientific activities, participation in international conferences, and introduction of special grants and stipend schemes, and so on;
16. Implementation of the reforms, even in short term period, entails significant spending to ensure that the teachers who were made redundant do not find themselves below poverty line. Hence, introduction of various social support schemes would significantly reduce this problem;
17. Development of State education credit and subsidizing institutions would be of special importance for the children from poor and less well-off families. At the same time, this system is especially efficient for pursuing postgraduate education;
18. In the conditions of new system of funding for schools, the role of the civil society in the

financial monitoring of schools should be increased, which requires public to have the knowledge of how to implement the function of supervision provided by the law. This requires setting up of supervisory boards of schools and conducting special trainings. Special attention should be paid to stimulating women's participation, introduction of special incentive schemes for them, since mothers traditionally spend more of their time on upbringing children, compared to men.

International Experience on Education Subsidies and Credits

Worldwide, the State education credits and subsidies are viewed as mechanisms for ensuring equal education opportunities for the families with various income levels. Although it should also be noted that along with the positive aspects, this system has negative sides as well, namely:

- Education credits are less burden to the State budget, unlike education subsidies;
- Both credits and subsidies, if they are issued with the condition of return, will increase the responsibility of students, their quality of learning and professional advancement with the firm incentive of further salary growth;
- Credits for small income families create risks in terms of their repayment, hence, in this case subsidies are more convenient for them;
- Issuing credits and subsidies even in highly developed countries is limited, therefore, their issuing is selective;
- Issuing credits is a risk and their administration is costly. Creditor should be prepared that in the best case scenario 60-70 percent of the credits would be returned.
- Credits are issued without any special terms, while receiving subsidies are possible on the conditions like, for example, repayment once the professional qualification is attained, and defining narrow circle of professions for subsidizing, military service and so on.
- Despite these, introduction of education credit policy is important for the entire community, and especially, for those young people, who are forming their families and wish to continue their education.

Research has revealed a list of problems which would need to be addressed to achieve social justice and equality in the society, namely:

- How sufficient are State budget allocations for educating the disabled persons according to various stages of education? How necessary are the additional resources for them to receive education?
- How are special schools developing and to what extent are they inclusive of the total number of the disabled children?
- How sufficient is the State funded allocated for them to receive education and prepare for national exams?
- How many children with disabilities obstructing their movement can pursue higher and professional education, and what does the State do to provide incentives for them? Are their interests foreseen in the reforms strategy?
- In the process of capital investment allocations, are there envisaged conditions for transporting and movement of children with special needs? How many children remain at home only

because they do not have access roads, paths, elevators, and so on to go to schools (professional education institutions, higher education institutions)? And what is being done for their activation?

- How prepared are various levels of schools to create classes for children with special needs, speaking non-Georgian languages?

These and other issues require special study and caring for these people, and their integration into society is one of the objectives of achieving social equality. It would be expedient to have them reflected in the State budget, in the form of education programmes.

Gender Sensitive Municipal Budgeting⁹⁷

6.1. Characteristics of the Gender Sensitive Municipal Budgeting

Regional approach of gender budget formation has a number of characteristics and it requires direct, active involvement of civil society into the life in the regions. It is well known that the civil society in the regions is less aware of the issues of financial management. Accordingly, its influence over diverse spheres of public life is limited. At the same time the socio-economic processes in the regions develop more painfully than in the capital.

Harsh ecological conditions, underdeveloped infrastructure and poor access to social guarantees, miserable pay and poverty have negative effect on the level of population's living standards. The population is hardly aware of socio-economic changes taking place in the country. Even under the conditions of democratic management the local government fails to involve the population in the management process on the regional level. The region's population is unclear about the socio-economic policy implemented by the State, priorities and ongoing State programmes. Local NGOs also fail to conduct relevant monitoring. Unfortunately they lack both competence and experience. The local budget is a leverage which can be effectively utilised by the civil society in the interests of the population.

A great number of problems, connected directly with the real functioning of local self-administration, transparency of financial activities and accountability, have been accumulated. Their performance, according to the previous experience, cannot be carried out solely by the executive government. The role of the local self governance and civil society is crucial, and their co-operation in the processes of budget formation and monitoring may bring real results.

Gender analysis of the regional budget helps to identify genuine social problems and the extent social justice and gender equality is maintained at the local level.

Gender disparities could be observed at the municipal level in the distribution of the existing resources and their management, which affected the level of women participation in the government. The issue is still pressing, when the practice of local self governance is being developed. The slogan that the number of women involved in the structures of local administration should be as big as possible is still popular but remains a declaration. The participation of women in governance is necessary, at least for the achievement of gender balance and the better resolution of all socio-economic problems, which are vitally important for the entire urban population.

In our opinion, promotion of gender budget at the regional level may become a powerful tool for the activation of women during election campaign. It will help not only the women candidates but the electorate as well, to vote for the public candidate who will fulfil the election promises, improving thus the population's socio-economic conditions.

Unfortunately, the problems addressed by the study, had not been duly publicized for the lack of statistical or any other information. However, we believe that the demonstration of gender approaches is crucial for the promotion of discussions around gender problems in local administration and civil society.

The analysis of municipal budget with the consideration of gender aspects is the beginning of activities which will be implemented with the support of local administration in the regions of Georgia with the aim of drawing the civil society and further development of democratic processes.

⁹⁷ We use the term of "municipality" as the description of region or local administration entity, which implies both the municipality and self administered city.

6.2. Preconditions and Problems of Gender Analysis of Socio-Economic Development of Municipalities

Gender analysis of municipal budgets is based on the region's demographic structure, indexes of education, healthcare and local market. It requires the use of tools, with the help of which the analysis of the given spheres will be performed, i.e. the ways of planning of the local budget for the resolution of the problems. On the whole, it addresses the specificities of planning and implementation of socially equitable budget. At the same time the analysis of the central and local budget interaction is also necessary in order to determine which level of budgets can satisfy the concrete interests of the local population.

Socio-Economic Problems of Municipalities

Problem 1 Slow Pace of Population Growth

Population growth nearly in all regions of Georgia, apart from Tbilisi is rather slow. It may be determined by a number of reasons:

1. Demographic conditions;
2. Relatively low birth rate;
3. High rate of poverty in comparison with other regions;
4. Problems of youth employment;
5. High death rate;
6. Lack of social protection systems;
7. Unfavourable social infrastructure;
8. Limited access to professional education for the youth, etc.

The abovementioned or other problems affect social and economic conditions of the families and raises obstacles for the creation of new families and development.

Problem 2 Low Income Households and High Level of Poverty

Every municipality has specific sources of income. The major part of the population depends on the income typical for city dwellers. Main source of income in Poti, for instance, is its port and the infrastructure related to it. Present incomes of Signaghi and coastal cities greatly depend on the number of visiting tourists, while the income of Rustavi residents depends on their employment in Tbilisi.

Based on household surveys and comparative analysis it becomes clear that the intensity of poverty affects the population behaviour. During the planning of municipal budget the reasons of low income should be considered (employment structure, investment climate, condition of labour market etc.) and the income of municipal budget should be directed at the resolution of the problem.

Problem 3 Unemployment

Each municipality has a specific level of unemployment. At the same time there are no employment or unemployment help centres. On the whole, without conducting active social policy the achievement of major results in the reduction of unemployment will be impossible. In the cities, where the trends connected with trade and services are developed, women have a better chance of employment. Development of tourism gives favourable opportunities to both women and men. Concrete municipal programmes play major role in the development of favourable environment for smaller business.

From gender perspective it is very important to define the the number of women employed in the industrial (business) sector. It is an indicator of civil activity and reflects the need of infrastructure development, which should be developed by the municipality, within its mandate. Unfortunately, there is neither statistical data nor studies of labour market conducted in this respect.

Problem 4 Effectiveness of Education

Labour market is closely connected with the education. Identification of this connection is highly important as it allows us to find the causes of unemployment due to lack of education, poor professionalism, lack of investments and capital investments. Capital investments require the existence of relevant human resources. Is the municipality (city) ready to ensure labour productivity growth through local human resources in the conditions of increasing capital investments, and on the other hand, does the municipality (city) have enough human resources to ensure rapid growth of private sector and utilisation of the city's strategic capacity?

Different level education facilities function in every municipality. Some municipalities provide funding for universities as well. Although due to the lack of financial resources municipalities failed to ensure competitive quality of universities and the graduate specialists could not satisfy the requirements of labour market. Hence, municipality spending on education were ineffective. Secondary specialised education institutions were funded from the municipal budget according to cost-based principle, and it was directed towards students for them to gain knowledge. Such practice was ensured education institutions with guaranteed revenues, irrespective of the quality of education and its compliance with education standards.

It is expedient for the funding from the municipal budget to be directed for the assistance of successful students identified by the State through national exams and the subsidies should be given to the students instead of the education institution (in the form of municipal voucher or scholarship), which they would present to the universities or specialised education institution, where they would be able to receive better education. Similar practice will create competitive conditions for the local educational facilities and increase their responsibilities.

From gender perspective it is expedient to be aware of the number of girls and boys receiving professional education, and if any of them were left without professional education. It determines the structure of the local labour market and affects the development of households. When girls are deprived of professional education they remain attached to domestic activities forever, which hinder their further development establishment in the cavity society.

Supervision over the primary education facilities and their development is one of the priorities of the municipality. The number of nursery facility students and their teachers, their employment as well as correlation of expenses spent on them is the best indicator of effectiveness of the nursery facilities. At the same time structural analysis of labour market and gender employment makes it possible to define to what extent the employed women make use of the nursery facilities, whether the number of the given facilities is sufficient, whether the activities of nursery facilities are connected with the employment of women in households. The demand for the services of nursery facilities could be determined by the fact that they are partially funded by the municipality, in the form of subsidies, and the children of parents who are not employed in public sector may also benefit from their services. In order to avoid similar circumstances it would be expedient to distribute the municipal funds among the mothers of underage children, in the form of assistance, which will help to reduce the funding costs of the nursery facilities considerably. The efficiency of the given approaches could be determined only through revealing civil society interests.

For the effective distribution of the municipal budget it is also necessary to be aware whether the employer also participates in the funding of the pre-school facilities and whether the given source is duly utilised. Gender issues and social position of women are quite visible behind these questions.

Problem 5 Access to Healthcare

Preventive facilities and hospitals operate in the municipalities but they do not have their own medical facilities. Disbursements from the budget are envisaged only for the following schemes on: inpatient treatment for the poor, identification and treatment of infectious diseases, provision of medical supplies to the poor, purchasing and renovation of medical equipment, organising activities to fight alcohol and drug abuse, sanitary supervision and so on.

Package of medical insurance for the population below the poverty line has come into force since July 1, 2006. Medical services of this insurance package include: mobile groups of specialists, inpatient medical services, family doctors, district doctors, services of district paediatrician, instrumental-laboratory examinations, emergency inpatient services, obstetrics services, specialists consultation, and planned surgical inpatient services. Issuing of health insurance certificates would be funded from the budget of State programmes.

Analysis of the data as to how many men or women get services from these allocations, what is the share of urban population or how many persons are willing to get services determines the level of access to these resources from gender perspective, and will accordingly allow the local government to plan the programmes for supporting equal access to medical services for men and women. Participation of the municipal budget in the distribution of medical polices will make it target orientated, and the efficiency of multiple gender sensitive healthcare programmes will grow.

Problem 6 Low Effectiveness of Social Protection

High level of poverty results in low efficiency of budgetary allocations on social protection. It fails to involve all socially vulnerable groups of the society, while allocation of allowances and benefits does not result in reducing poverty. On the whole, municipal allocations cover about 15 percent of the population below the poverty line.

Social protection of the population is funded by the central and municipal budgets. Municipal budget allocations contribute to 3 percent (no less than 5 percent for the healthcare programmes).

Municipal budget spending on social protection include:

- Benefits for electricity and municipal services, use of municipal transport, family allowance, and benefits for the children deprived of parental care, single mothers, young families, street children, elderly and so on.
- Social protection programme, which envisages various benefits determined by the law:
- Benefits for the provision of potable water and sanitation;
- Benefits for electricity payment;
- Incentives for families with multiple children and monthly allowances for single mothers as well as for every newborn child;
- One-time monetary allowances for pensioners;
- Financial assistance for school-age children deprived of parental care and so on.

Major part of the recipients of social benefits from the municipality are women, which on one hand is determined by the fact that due to economic structure, men are the majority among the employed, while women create demand for social protection and safeguard family income. At the same time they represent the most vulnerable stratum addressing municipalities for assistance. Taking into consideration the above circumstances it should be considered expedient to provide women with the employment supporting infrastructure and relevant education.

Problem 7 Infrastructure Development

Provision of population with potable water, fresh air, roads and sanitary network is the major problem in the development of municipal infrastructure in Georgia. Infrastructure development should be based upon the standards and strategic goals. For example, according to World Health Organization, water supply should comply with the following norms:⁹⁸

Indicator	Use of Water	Healthcare risk	Policy Priority
Very low consumption	5 L daily per r capita	Very high	Reaching initial level, population's awareness of hygiene
Basic consumption	Daily 20 L on the average, per capita	High, problems of washing appear	Education in hygiene, support of
Average consumption	Daily 50 L on the average, per capita	Low, periodical problems with washing	Hygiene, service optimization
Optimal consumption	Daily 100-200 L on the average, per capita	Very low	Benefits from the hygiene

Provision of the population with fresh water in the regions of Georgia never reaches optimal level. In most cases it totals just the basic level of consumption, which in itself poses the problems of hygiene and services. At the same time the quality of water is considerably low which creates various problems for the women's work in families.

Problem 8 Urban Planning and Strengthening of Local Governance

Municipalities do not have mid-term strategic plans. It is true that certain steps had been taken in this particular direction and the process had been launched, but unsettled relations between the local and central budgets, and particularly the fact that the municipality is obliged to agree its plans with the Ministry of Finance, hinders the development of independent initiatives by municipalities.

Local tax revenues of municipalities are administered by the Central Tax Department. Despite the fact that local administration gets due information on tax collection, they have no institutional basis for forecasting revenues (namely, changes in labour remuneration system), due to which they are obliged to reply on the centralised data when making projections for planning purposes. Under such circumstances oversight function of Local Councils (Sakrebulo) and its local initiative are suppressed.

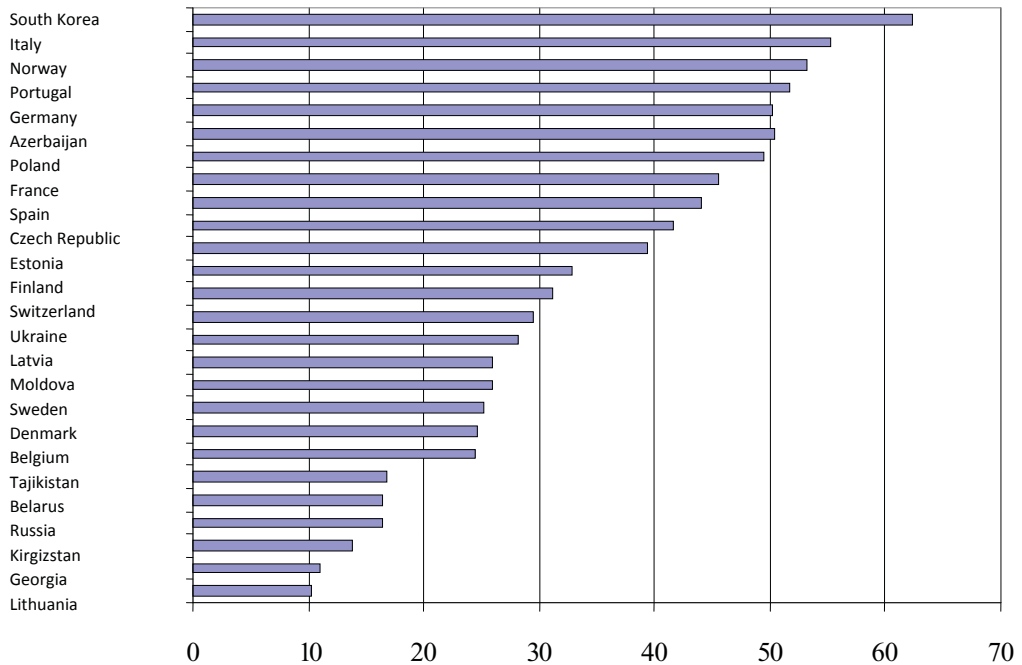
The given issue is rather pressing as the municipality budget is approved by Sakrebulo, which is compelled to approve costs post- factum, i.e. after its approval by the Ministry of Finance. For the development of local governance and mid-term planning, it is necessary to ensure settlement of relations between the central and the local governments and delineation of authorities in order to provide local initiatives with the relevant financial resources. At the same time the active role of women should grow in Sakrebulo, adding extra institutional authority to local governance to achieve set targets.

The starting point of strategic planning is the assessment of local needs. It should provide the basis for planning and discussions of the local budget. It should be relevantly provided with financial resources. The share of Georgia's local finances in consolidated budget is still insignificant, which does not allow local administrations to expand its institutional and economic authority.

⁹⁸ Water for life: Making it happen (2006). WHO/UNICEF Joint Monitoring Programme for Water and Sanitation p.27. Available at: http://www.wssinfo.org/en/40_wfl_2005.html.

Chart 3

Share of Transfers (Grants) in the Local Budgets by Countries



Source: <http://www.oecd.org/dataoecd/39/16/37412344.xls>; <http://siteresources.worldbank.org/INTDSRE/Resources/WBFDISummarycharts17Aug2004.doc> Ministry of Finances of Georgia

Note: Indicators of the post-Soviet state are calculated in accordance with the World Bank data.

One of the important sides of budget planning is setting of priorities. All the cities have their own priorities. It may be real estate and utility services, organization of leisure activities, culture, and sport and so on. These priorities vary from time to time.

Analysis of local budget tax liabilities shows us that the municipal budget is less orientated on the implementation of long-term social issues. Whatever happens 3 years later and how the city’s socio economic picture changes, is not being determined yet by the municipalities. Municipal expenses are directed solely at the resolution of short term tasks.

Estimation of expenses in dynamics allows determining what was happening in the past, what is going on now or what would happen in the future. Similar approach will make it clear to understand what the municipality had been able to achieve and what are the issues that require further support, what are the changes the social environment has undergone and how the the life of various social groups in the developing municipality has changed.

Conclusions and Recommendations

These issues are just a part of all the problems that characterize the development of municipalities in Georgia. The identification of every pressing issue of the municipality is necessary, as well as resources that are required for the resolution of these issues.

The following questions arise during gender analysis of municipal budgeting:

- What is the condition of the local statistics and database and what has to be done for its improvement and collection of gender disaggregated statistical data?
- How well defined are economic development priorities of the municipalities and whether it is provided with relevant resources?
- What are the criteria for setting priorities and whose prerogative is it – municipality authorities, civil society or the State government?
- How does the local government fight against poverty? How clearly the poverty problems are identified in the local budget?
- Are health care problems of the mothers, women and other groups clearly defined in the budget?
- Are education universal and how many young people are deprived of professional education? What is the gender situation?
- How is the protection of the elderly ensured? Are there programmes envisaged for the development of clubs, food facilities and other relevant institutions for the elderly?
- Which layers make use of the public food facilities most and how many poor families' do they cover?
- How many persons received assistance and how effective was it in terms of them crossing the poverty line? What is the gender situation?
- How many persons went through professional training programmes and how many women and men were among them?
- Does the municipal budget envisage the possibilities for the growth of pension fund?
- Are there employment incentives for men and women, and how are they reflected in the budget?
- How many persons are employed in the private sector and what is their gender correlation?
- How does the monitoring system work? Has the comparative qualitative analysis of budget implementation been conducted? Has its effect upon the population been estimated?

Recommendations

1. It is expedient to set up a gender segregated data base in municipalities, which will include the demographic information of the population, family structure, qualification of the unemployed, education, and demand on workforce and so on.
2. Discussions of draft municipal budget is necessary prior and following its endorsement with the participation of both branches of the Government (executive and representative) and the civil society (men and women), as well as raising public awareness on monitoring outcomes.
3. Social protection is the main function of both State and local budgets. Presently relationship between these two budgets requires perfection, not only from the aspect of fairness of transfers but also from the point of view of decentralization processes. The major burden of social protection is still borne by the Central budget. Activation of local budgets through the budget decentralization will make the social protection more effective, as the funding of social activities from the local budget will become less bureaucratic and more targeted. From this point of view, distribution of social functions between the local and State budgets and activation of local administration is more expedient.

4. Local government should be actively involved in the processes of social protection, both in the process of its organization and provision of assistance, as well as defining its amount. Participation of local communities with the high share of women is of critical importance. It will help to avoid ineffective expenditure of finances and ensure more targeted assistance. In this respect it would be more effective to carry out retraining of the local administration and NGOs, with the involvement of women's organizations in order to prepare them for the implementation of targeted assistance. Presently, funds in the local budget for similar activities are not envisaged.
5. Development of social infrastructure, improvement of pre-school facilities in accordance with the latest standards, provision of financial incentives for the personnel and other arrangements significantly improve women's employment opportunities.
6. Traditional gender disparities are particularly visible in the labour market in the regions of Georgia, where labour opportunities are more restricted. Study of the urban labour market and improved professional education of the relevant profile, will help the elimination of existing disparities.
7. The unemployed need vocation education in new professions which are in demand in the labour market. For the achievement of this it is expedient to arrange resource centres and support small business, with the organization of trainings which will have the support of municipal authorities. At the same time youth employment and provision of temporary jobs for them (students) will considerably improve the structure of municipality labour market.
8. Study of micro-credit organization activities, assessing their efficiency in the development of business activities. The degree of equal access to credits by the households will facilitate priority setting by the municipalities in the real sector.
9. The role of NGOs and mass media in the implementation of municipality budget monitoring and provision of transparency is also significant.
10. Creation of special working group with equal representation, their training to attain certain qualification for the participation in budget process, offering gender education under special programmes for self-governance and NGO representatives. Furthermore, organization of debates and round tables in the municipalities will also raise awareness and activity of the civil society.
11. Implementation of gender budgeting during local elections is equally important for the fair distribution of regional resources and establishment of social justice.

State Financial Strategy

Gender equality indicator in Georgia has deteriorated. The design of the State and municipal budgets should reflect gender equality trends and the expected social outcomes.

7.1. Gender Responsiveness of Georgia's State and Municipal Budgeting

Major institutional and economic reforms have been carried out in Georgia after the “Rose Revolution”. The new Tax Code significantly improved the fiscal environment. The number of State regulatory and oversight institutions reduced and their influence over the private sector became less complicated, while business environment became much more liberal. Major reforms were conducted in the education sector. Formation of new labour relations started to shape along with the establishment of social protection and provision systems. Radical fiscal reforms coupled with institutional changes in State governance created the basis for rapid growth of State budget revenues. During the recent 5 years, budget expenses increased 6 times. It gave the Government opportunities to conduct serious social and economic interventions in the country and take care of the formation of the democratic civil society, which is an excellent prerequisite for the establishment and strengthening of social equality.

Priorities of Georgia's 2006 budget were defence, rehabilitation of energy sector and education, repayment of the debts accrued in the previous years, and reimbursement of civil servants' salaries. According to the Government, 2007 budget became more socially oriented. 37 percent of spending was on social issues: education, healthcare, social protection, social provision, culture, and religion. Defence remained a major priority in 2007.

On January 5, 2008, the slogan of the ruling party at the Presidential elections was “United Georgia without Poverty”, which became the basis for the short term plan of action for the elected Government.

Georgian Government elaborated the whole package of activities directed towards the reduction of poverty, among which the following components should be highlighted: employment and investments – provision of cheap credits, revival of the villages – programme of village automation, 100 new agricultural enterprises, provision of equipment to rural health workers, development of regional tourism and local craftsmanship, pensions, social aid, education – 100 new hospitals, pension reform, and aid to the displaced persons etc.

These components notably changed the targeting of the State budget compared to previous years, and based it on the needs of the civil society, the poor, businessmen, pensioners and accordingly it became gender sensitive. However, as in previous years, defence expenses were the biggest and rapidly growing component of the State budget (see Chart 4)

At the same time, the share of Georgia's defence expenses, due to the strained relations with Russia throughout the years, turned out to be the highest in the world (see Chart 7). According to Social Watch estimates, it became one of the reasons for the deterioration from the point of view of social equality, as there have been regressive trends in the utilisation of State funds. Despite the slight progress in education, due to the stagnation of State expenses in healthcare and growth of military expenses, gender indicator for 2004-2007 decreased by 3.67 points and Georgia occupied 65th place among other 165 States.⁹⁹

⁹⁹ <http://www.socialwatch.org/en/avancesyRetrosos/IEG/docs/GEI2007.doc>; http://www.socialwatch.org/en/informeImpreso/pdfs/publicexpenditure2007_eng.pdf

Chart 4

Defence Spending in the State Budget in 2002-2009

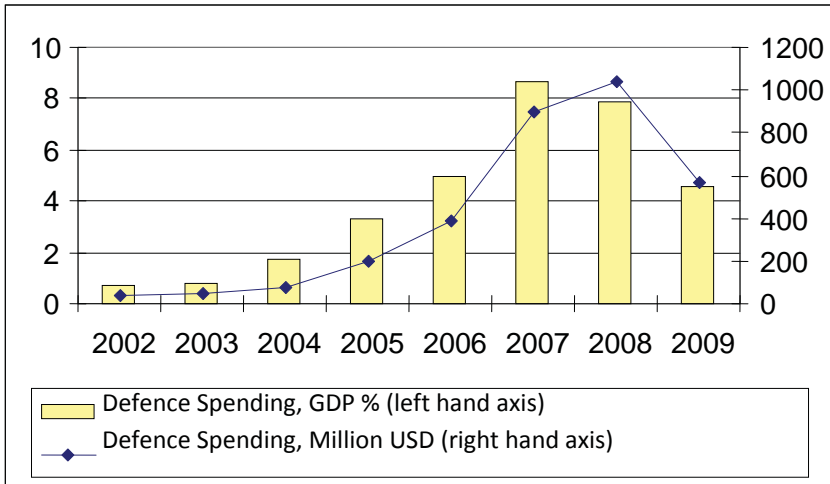


Chart 7

Share of Expenses in GDP: International Comparison

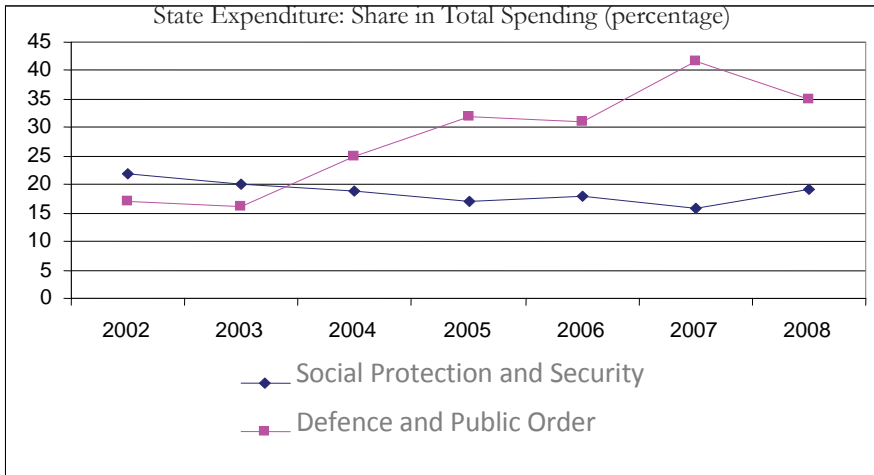
	2000	2001	2002	2003	2004	2005	2006	2007
Armenia	3.6	3.1	2.7	2.7	2.7	2.9	2.8	3.0
Azerbaijan	2.3	2.3	2.2	2.4	2.6	2.3	3.4	3.0
Belarus	1.3	1.4	1.4	1.3	1.4	1.5	1.7	1.6
Georgia	0.6	0.7	1.0	1.1	1.4	3.3	5.2	7.5
Kazakhstan	0.8	1.0	1.0	1.0	1.0	1.0	1.0	1.2
Kyrgyzstan	2.9	2.3	2.7	2.9	2.8	3.1	3.2	3.5
Moldova	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4
Russia	3.7	4.1	4.3	4.3	3.8	3.7	3.6	3.6
Ukraine	3.6	2.9	2.8	2.8	2.6	2.8	2.8	2.9
Estonia	1.4	1.5	1.7	1.7	1.7	1.6	1.6	1.9
Latvia	0.9	1.0	1.6	1.7	1.7	1.7	1.8	1.8
Lithuania	1.4	1.3	1.4	1.4	1.4	1.2	1.2	1.2
Germany	1.5	1.5	1.5	1.4	1.4	1.4	1.3	1.3
Turkey	3.7	3.7	3.5	3.0	2.4	2.1	2.2	2.1
USA	3.1	3.1	3.4	3.8	4.0	4.1	4.0	4.2
World	2.3	2.3	2.4	2.5	2.5	2.5	2.5	2.5

Source: World Bank data

<http://ddp-ext.worldbank.org/ext/DDPQQ/showReport.do?method=showReport>

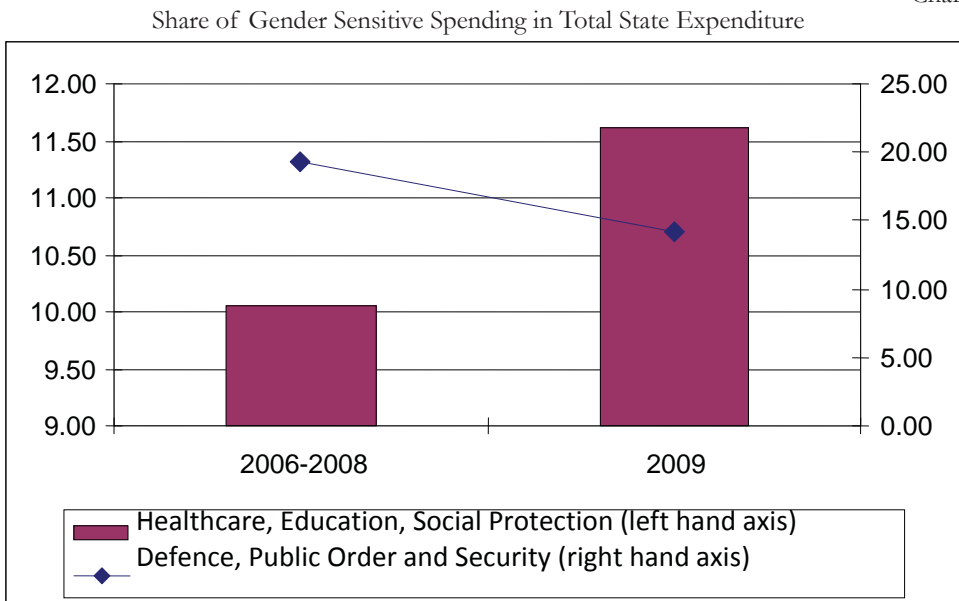
Like in previous years, spending of the State budget resources in spheres like defence, public order and security, as well as energy sector (where mostly the men are employed) prevailed over the total costs in the sectors of education, healthcare and social protection. State funding during the last 5 years, according to the absolute indexes increased further in the spheres of male rather than women employment. It got slightly closer to each other only in 2008 budget. Thus the gender disproportion in the distribution of State finances is still extensive. (See Chart 5).

Chart 5



According to the Law on 2009 State budget, significant changes were made due to the developments having taken place in Georgia. Practically, social costs assuming priority (see Chart 6), which was determined by the war with Russia, and reduction of economic activities due to the global financial crisis, falling pace of economic development, increased unemployment and deterioration of the social background, as well as growth in the number of people dependant on the State. As a result in 2008, 400 thousand persons were beneficiaries of the State social assistance, while the number of beneficiaries in 2009 is expected to increase up to 900 thousand persons.

Chart 6



Certainly, if the future fiscal policy of Georgia genuinely targets poverty reduction, it will become necessary to conduct active employment policy simultaneously with the passive social policy, which will be calculated not in short term tasks but long term strategic goals. The State, within the framework of employment programmes should provide for such regulatory mechanisms, which will allow offering long term employment programmes to the population. In connection with the above mentioned a question arises as to how the resolution of these problems would be reflected into the specific financial action plan. What would serve as compensation to women for the State spending predominantly concentrated over men's employment? Furthermore, from the gender point of view, interests of what social groups (business world, political elite, State bureaucracy) will the State financial activities serve, and so on.

Social development has gender implications. Women assume and traditionally participate in care economy, which implies taking care of the family, children and elderly. For this reason the State programmes for the improvement of health care, education and increased remuneration, which are related to women is welcome. Otherwise, women and children will not become target groups of the State policy, and from this point of view, not only the recognition of women's labour in households and care economy is essential, but also the creation of such environment which will support due recognition of women's reproduction and economic activities, provision of duly paid and safe work. From this perspective, in terms of reducing social disparities, State supported programmes for the above said activities, serve the purpose of achieving gender goals. However, the estimation of its priority in the design presented by the budgetary law is impossible.

Hence, it is essential to refine the design of the State budget (along with municipal budgets). It is also expedient to display the number of men and women employed in the State (municipal) sector in terms of budget organisation, while the functional aspect will reflect – expected social results.

The influence of State expenditure over the different strata of the population varies, and the way it is distributed for the benefit of the poor and in support of family development represents the principal condition for the reduction of social inequality. For the elimination of gender disparities, budget distribution should be conducted with the consideration of gender equality principles. The shared view of the civil society and the Government on the issues of gender equality is essential in eliminating gender desegregation of the State budget allocations.

Gender Approaches of the World's Financial Institutions

In the recent years gender problems gained attention of the world financial institutions. Gender inequality is considered as the factor impeding country's development and economic growth. The given issue is particularly pressing for the countries with transitional economies.

In 2006, The World Bank adopted gender mainstreaming strategy, which outlined the World Bank's gender strategy in meeting its socio-economic obligations. Consideration of gender aspect is particularly important in the process of the realization of the country's programme for the elimination of poverty. Achieving gender equality in various spheres of the banks strategic activities is regarded as the major element of social security, and an indicator of the economic growth and population welfare.

The main focus of the gender action plan of the World Bank "Gender Equality as Smart Economics" is: women should occupy honourable place in the world economy". The gender group of World Bank believes that the elaboration of gender indicators is essential in the first place, for the estimation of the opportunities for utilising financial resources for the real benefit of both men and women.

7.2. International Experience of Gender Responsive Budgeting

From the end of 20 century, attention towards gender responsive budgeting increased in a number of countries¹⁰⁰ and mainstreaming of gender into budgetary planning was actively pursued.¹⁰¹

Gender sensitive budgeting became a new approach in the establishment of social equality. Currently, gender responsive budgets have been introduced in over 60 countries of the world.¹⁰²

Australia. Australia was the first country which began the introduction of gender sensitive budgets. Formerly it used to be referred to as “Women’s budget”, which offered the estimate of benefits that women could receive from the budget. Such indicators involved the activities of every ministry.

Women’s budget of 1980s in Australia contained 300 pages. The budget was regarded as an official budget document. The gender budget bore three characteristics: 1. defining costs for women, i.e. estimation of the costs for the programmes implemented for women; 2. creation of equal conditions for employment in the public sector, which involved equal employment of men and women in managerial activities, as well as the reduction of difference in their pay; 3. Definition of costs which the government intended to utilise in the future for further refining of gender sensitive budgeting.

Australian experience was later used by other countries in the process of introducing gender sensitive budgeting. England initially, followed by certain Asian and African States began the elaboration of gender sensitive budgets and it became an effective tool in the struggle against women’s discrimination. At the same time the features of the budget, its flexibility and opportunities for monitoring Government activities made it possible to use similar approaches in the States with developed democracies, where the citizens were given the possibility to receive adequate and complete information. Sometime later, European countries also got interested in the elaboration of similar budget.

Presently Australian government elaborates various recommendations. The women’s budget is printed annually. The government is still interested in the issue.

Europe and the countries of European Union. Targeted gender approach is characteristic for the countries of the European Union, planning of gender perspectives for women and men in the spheres of politics and economy, as well as the assessment of the planned actions. Gender projects are also characterized by diversity and utilisation of various research methods and tools. Representatives of the Ministry of Finance are also involved in this process.

In the EU Member States, gender mainstreaming in financial policy and budgetary planning was introduced by Amsterdam Agreement and Strategy for Gender Equality (1997).¹⁰³

In 2001-2005 all EU Member States joined the The Convention on the Elimination of All Forms of Discrimination against Women (**CEDAW**), and assumed the responsibility over its implementation. At the same time European Union issued recommendations appealing all Governments to pursue balanced policy for the achievement of gender equality.

In October 2001, the Conference on the accomplishment of economic and financial management

¹⁰⁰ Judd Karen (ed.), (2002). Gender Budget Initiatives: Strategies, Concepts and Experiences, new Yourk: UNIFEM.

¹⁰¹ For the description of International experience the following works are recommended: Гендерные Бюджеты. Пособие для тренеров. (2005). Програма развития ООН. Авторский текст: Дебби Баалендер. Пер. с Англ. языка, Братислава., стр. 27-41; Stotsky J., G. (2006). Gender Budgeting. IMF Working Paper, WP/06/232, p.24-30; Budlender D., Review of gender budget initiatives. Community Agency for Social Enquiry. Available at: <http://www.internationalbudget.org/resources/library/GenderBudget.pdf>; Budlender D., Elson D., Hewitt G., Mukhopadhyay T. (2001). Gender Budgets Make Cents. Understanding gender responsive budgets. Available at: <http://www.lib.utah.edu/ereserve/trms/annual/ECON/Knowledge/Berik/cents.pdf>.

¹⁰² Gender budget is known by various names: “People’s budget”, “welfare budget”, “social budget” and is implemented in State policies of many countries.

¹⁰³ <http://www3.euoparl.eu.int/omk/omnsapir.so/>.

through gender budgeting was held.¹⁰⁴ The final resolution of the conference appealed to the countries of the European Union to establish equal rights for the men and the women, make the State finances public and transparent. At the same time the role of gender budgeting in increased efficiency of State budget allocations was underlined. One of the goals was to define barriers to employment, entrepreneurial development and access to micro credits.

In **England** gender budget was based on the civil society initiatives. A group of women was set up in 1989. The group was focused on the revenue section of budgets with the emphasis on taxes and State benefits, rather than spending. They made demands for increased programmes for women's economic assistance which would subsequently decrease child poverty. However, their projects were often in contradiction with the views of politicians on traditional role of men and women in the family. It implied that the income of the family was distributed among family members, irrespective of who the recipient was, hence the decision on issuing State benefits should not have been affected by which member of the family paid taxes and who was in need of assistance. Later these assumptions were overcome and assistance was provided directly to women, since money paid to women were spent in a more targeted manner on family's needs. This was precisely the argument, based on which, starting from 2003, child allowances were issued to the immediate caretaker (which in most cases are women), and not on one of the main donors of the family (predominantly men).

One of the projects became a success when one of the employed parents was freed from taxes. Until then, the parent who was earning the less, did not consider paid employment profitable.

In **Austria** the independent Women and Budget Group was founded in 2001. It began the popularization of gender approaches in the country. The Ministry of Finances published a report "Is Austrian Tax System Truly Gender Neutral?" through which the Austrians became aware of the fact that men enjoyed tax benefits more than women.

Gender analysis of the State finances in Austria is regularly carried out with the main focus on fiscal policy. The Ministry of Finance is utilising the findings of the research centres.

In **Netherlands** pilot projects were implemented and specific gender issues were funded. The system of gender audit was developed, namely, what resources were spent of women's emancipation, and what finances were spent for specifically men and women. In January 2000, the Government established an inter-agency Department which would analyse all major trends from gender perspective. The Department had two working groups and several directors. One of the groups was working on the budget allocations to analyse them in terms of equal opportunities for men and women. In 2001, the group carried out a pilot study to identify the legitimacy of spending of various institutions in terms of equal opportunities. This project was carried out in the Ministries of Finance, Social Relations and Employment, Environment Protection, and Urbanisation. Based on the survey findings it was concluded that in the expenditures of these Ministries the share of spending for ensuring equal opportunities for men and women was 0.01 – 0.06 percent.

In **Sweden** gender is mainstreamed in long-term programmes. Pilot sectors are social policy, regional development and transport. At the same time, the Government has acknowledged that employment among women is less compared to men, and they face limitations in entrepreneurial activities, hence it developed a programme which would facilitate development of women's entrepreneurial activities. According to the programme, assessment of salaries of men and women holding equal positions is performed on annual basis. Entrepreneurs were obliged to improve the situation within three years time.

In **France**, gender analysis of the budget has been performed since 2000. In Yellow Report, they have analysed expenditure of all Departments and Ministries from gender perspective. There is a common State programme on the development of entrepreneurship among women.

In **Germany** Gender budgeting is being introduced in the city of Berlin. Local authorities are working on the long-term fiscal policy. Gender budgeting has been carried out since 2006. The first step

¹⁰⁴ [http:// www.dgdc.be](http://www.dgdc.be).

was the creation of a database and analysis of project effectiveness, and later, financial resources were allocated, which is a protected budget item. The process involves all the Departments and specialised research centres.

In **Belgium** gender audit is conducted in cooperation with academic institutions. At the initial stage research methods and tools are identified, and later academic researchers meet with the representatives of the ministries on regular basis to inform them on the results and offer their recommendations.

In **Scotland** a plan on achieving equality was developed in 2000, which defined the methods for the evaluation of the effects of budgeting over equality.

Political Economy of International Experience

Efforts to create gender budgeting varied from country to country and they all achieved its implementation in different ways. Majority of countries began the budget implementation according to their own methodology, through the adaptation of their goals and approaches. The initiative derived from the civil society, Parliament or the Government. Their intention lay not in the allotment of extra funds for women but the support for the implementation of social, economic and cultural traditions and effective management among the civil society.

In certain countries the gender budget was connected with political movement and change of Government (Scotland). In other countries the initiative arrived either from the Government with the support of donor countries or the Parliament. In Switzerland, professional unions and women's organizations became initiators of the gender sensitive budgeting. While in Norway, the government implemented gender approach in every mid-term programme of the Ministries. It found reflection in the annexes of the annual budget report.

In different countries, at the initial stage, gender initiative was restricted by analytical study, and it was recommended to select one or two policies for conducting gender audit. The results of the analysis were presented in two directions: as a separate budget, as the women's budget elaborated in Australia or as an integral part of the budget, which they referred to as "Yellow Pages" in France. Some of the countries gave preference to the analysis of allocations for women while others to the analysis of gender budgeting. In Ireland, the analysis of social equality was integrated in the plan of national development.

Each of the countries which initiated the implementation of the gender budgeting was posed with obstacles of methodological nature. The main route the countries followed implied the integration of gender indicators through gender research at the stages of budget planning, consideration, implementation and monitoring.

According to the International experience, the most important is the implementation of gender initiatives through research, with the active participation of the civil society, while the Government expresses readiness to implement the results of similar studies. At the same time trainings of NGOS and society representatives was an important element for influencing utilisation of State finances. As a result, gender sensitive budget was formed. Similar budget, in its essence was a joint result of co-operation between NGOs, research centres, mass media and public institutions, which elaborated and implemented the policy.

The majority of the countries resorted to the support of NGOs and experts. Namely, in Denmark, the experts participated in the elaboration of 2002-2006 budgets. In England a group of women regularly assessed the strategy of the Ministry of Finance. Trainings and conferences conducted by the Ministry representatives helped the implementation of gender projects. At the same time special publications were produced and direct contacts established with the MPs.

Finally, it should be mentioned that there no universal recipe which would be suitable for all the countries during the implementation of gender budgeting, as the conditions of men and women are different in all the countries. Their economy is just as different and the State and local budgets serve different goals. Every country should arrive at the necessity of implementation of gender sensitive

budget on its route towards the implementation of social equality.

Concluding Remarks

Recognition of gender issues is not a special topic for the budget and they are not accentuated in the State or Municipal budget projects. Elaboration of gender sensitive budget is a major issue for the development of human capital (resources) and resolution of social problems. Many important activities find reflection in the budgets, which will be perceived from gender perspective. Although, there are certain positions which will become major issues for consideration. In general, political will for the implementation of gender budget both at Governmental and civil society levels is essential. At the same time, the civil society will have the responsibility along with the Government in terms of effective implementation of the budget and monitoring, which bears an important role in the establishment of social equality.

Gender dimensions of financial policy could be determined in the following manner:

1. From the point of view of economic growth, the development of infrastructure is of critical importance for the civil society, namely, to what extent will the infrastructure become available to the entire population, to what extent will energy resources be distributed among all poor regions and villages of Georgia? To what extent will infrastructure services be reaching poor regions of the country?¹⁰⁵ It is common knowledge that the deficit of energy resources has more negative effects over women than men, which became apparent from the examples of the recent past. Taking into consideration the issue of protection of consumer interests, major attention is paid to the energy policy and involvement of women in the energy sector management at all levels (less common in Georgia at present). Moreover, the world experience shows that the encouragement of renewable energy resource initiatives supports the establishment of gender equality, as access to renewable energy resources alleviates women's labour and hence, they have more time for their professional development and leisure.¹⁰⁶
2. Gender orientation of financial policy is necessary for providing equal opportunities for career advancement of men and women. The budget should provide an answer as to how the sphere of women's employment has increased in State and municipal sectors. Average number of employees in the three Ministries of Georgia in 2005-2008 reveals certain increase in vertical segregation.¹⁰⁷
3. In its efforts to eradicate poverty the world pays much attention to the development of micro credits. What has been done by the Government for making micro credits available to the poor stratum of the society, women among them? The issue is particularly pressing from the gender perspective as well. Access to credits for women is considered to be one of the obstacles in the development of entrepreneurship. Smaller loans are relatively available, but larger loans, requiring the confirmation of ownership rights are more accessible for men.
4. In social policy sector, efficiency of financial policy is defined according to the following factors: what is the share of State and municipal programmes targeting women and children in State expenditure, how sustainable have they been in improving social conditions, to what extent was it able to cover all socially vulnerable children, and what effect did it have over the households. In addition, to what extent did the social assistance provided to the families with multiple children increase, considering growing inflation, and does the social assistance system

¹⁰⁵ As a result of survey carried out by Urban Institute in 2004, free medical treatment, consultations, medicines were named the principal problem of women, the second problem was shortage of electricity, gas and water. Among acute problems the first was grave psychological condition. (see Women's problems and requirements in correlation with the local government. Tb. 2004, pp.8-10).

¹⁰⁶ Klans, J., Oparaocha, Sh Roer U., (2004). Gender Equality and Renewable Energies, Thematic Background Paper, Conference Materials. Bonn; T. Sabedashvili, N. Durglishvili. Gender and Power Energy: Georgian Example, Core International (2005), Tbilisi, pg. 34.

¹⁰⁷ Men and Women in Georgia (2008), pg. 54-55

provide for crossing the poverty line? It is significant, whether the funding for secondary education institutions, boarding schools, children's institutions, rehabilitation centres, additional sanatoriums and specialist boarding schools for children has been increasing.

5. The society is interested in the monitoring of poverty programmes, how monetary aid is distributed among the poor and if corruption in the given sector has been eliminated. How the aid support of the unemployed will change and how the monitoring will be conducted. It is known that previously these spheres used to be the sources of corruption.
6. As it has been mentioned above, due to the fact that State budget spending in previous years were mainly focused to improve employment among men, question arises as to what extent the incomes of people employed in the care economy had increased. It is necessary to conduct financial analysis in this direction to prevent the poverty programme from becoming a declared strategy and maintain a rational balance between the social sector and other spheres of State funding.
7. The society is interested in the efficiency of the new funding system in education and science. How rational is the delegation of local education expenditure to the Central Government. How rational it is for the local administration, where education issues are mostly supervised by women to determine the efficiency of science reforms, and how effectively will it support to maintain gender balance in the given sphere of employment.
8. The following issue is also essential, namely what place women are to occupy in the reforms of local administration and how effective will their participation be in the process of formation of the local budget. Will there be relevant State support provided in the preparation of respective personnel for this particular purpose? Will the State transfers be fairly distributed between the Georgian regions? Will regional disparities in poverty levels be envisaged in the new system?
9. There are changes envisaged in the activities of the Statistics Department to improve the existing database resources. Gender disaggregated data is a precondition for the elaboration and implementation of financial policy. Gender disaggregated data is required to define how social benefits are distributed in various economic sectors. Elaboration of new indicators is required for different trends of economy.
10. The civil society wants to know what they will receive from the budget. They should be aware of the existing realities, for this reason the Government report should include gender analysis, which is made easier through gender budgeting.

Annex¹⁰⁸

Gender Equality Index and Gender Sensitive Indicators (International Comparisons)

	Gender Equality Index (100)*	Trends (increase, decrease) in Gender Equality (2004-2007)	Gender and Education (rating)**	Index of Provision of Sewage Facilities (population %)	Index of Provision of Potable Water Supplies (population %)
European States					
Sweden	89	5,51	1	100	100
Finland	84	4,82	2	100	100
Norway	83	7,98	4	100	100
Germany	80			100	100
Iceland	79	4,61	7	100	100
Denmark	79	-3,03	7	100	100
Holland	77	5,96	10	100	100
Lithuania	77	1,69	10		
Spain	77	14,42	10	100	100
Latvia	76	0,32	13	78	99
United Kingdom	74	4,02	19		100
Bulgaria	74	-3,75	19	99	99
Estonia	74	-1,16	19	97	100
Belgium	74	9,38	19		
Croatia	73	5,48	25	100	100
Portugal	73	2,9	25		
Poland	72	-3,74	30		
Slovenia	72	-0,57	30	99	100
Romania	71	1,19	37		57
Hungary	70	1,14	39	95	99
Ireland	69	5,66	44		
Switzerland	67	4,12	52	100	100
Greece	67	5,95	52		
France	64	1,46	67		100
Italy	63	0,01	71		
Post-Soviet States					
Moldova	74	0,02	19	68	92
Ukraine	72	0,01	30	96	96
Russia	71	-3,55	37	87	97
Belarus	66	7,77	55	84	100
Georgia	65	-3,67	62	94	82
Kazakhstan	64	3,86	67	72	86
Azerbaijan	62	1,98	73	54	77
Armenia	58	-4,63	92	83	92
Kyrgyzstan	57	-5,75	97	59	77

* Gender equality index shows the main dimension of the men and women condition: in accordance with the economic activity, power and education. It was elaborated by the Social Watch in 2004 see: <http://www.socialwatch.org/en/avancesyRetrosos/IEG/docs/GEI2007.doc>

** gender education rating includes the differences between the men and women at the educational level, correlation between primary, secondary and professional education of men and women.

108 Annexed tables include the indexes of UN, SocialWate, World Bank and World Health Organization. :
<http://www.socialwatch.org/en/avancesyRetrosos/IEG/docs/GEI2007.doc>
http://www.socialwatch.org/en/informeImpreso/pdfs/genderequity2007_eng.pdf
www.socialwatch.org/statistics2007; <http://www3.who.int/>; <http://ddp-ext.worldbank.org/ext/>;

Gender Sensitive Indicators (Continued)

	Visit of pregnant women to doctor (pregnant women %)	Delivery with doctor's assistance (delivery %)	Maternal Mortality Rate (per 10000 newborns)	Use of contraceptives by younger women (15-49 age group %)
European States				
Sweden			2	
Finland		100	6	
Norway			16	
Germany			8	
Iceland			0	
Denmark			5	
Holland		100	16	
Lithuania		100	19	47
Spain			4	81
Latvia		100	42	48
United Kingdom		99	13	84
Bulgaria		99	32	42
Estonia		100	63	
Belgium			10	
Croatia		100	8	
Portugal		100	5	
Poland		100	13	
Slovenia		100	17	
Romania	89	98	49	64
Hungary		100	16	
Ireland		100	5	
Switzerland			7	82
Greece			9	
France			17	75
Italy			5	60
Post Soviet States				
Moldova	98	100	36	68
Ukraine	90	99	35	68
Russia	96	99	67	
Belarus		100	35	50
Georgia	91	96	32	41
Kazakhstan	82	99	210	66
Azerbaijan	70	84	94	55
Armenia	82	97	55	61
Kyrgyzstan	88	98	110	60

Gender Sensitive Indicators (Continued)

	Cases of tuberculosis (per 10000)	Child Mortality Rate (per 10000 newborns)	Child Mortality Rate under the age of 5 (per 10000 newborns)
European States			
Sweden	3	3	4
Finland	41	16	18
Norway	4	3	4
Germany	6	4	5
Iceland	2	2	3
Denmark	6	4	5
Holland	6	4	5
Lithuania	67	7	9
Spain	20	4	5
Latvia	71	9	11
United Kingdom	9	5	6
Bulgaria	36	12	15
Estonia	49	6	7
Belgium	10	4	5
Croatia	65	6	7
Portugal	35	4	5
Poland	32	6	7
Slovenia	23	3	4
Romania	188	16	19
Hungary	30	7	8
Ireland	9	5	6
Switzerland	6	4	5
Greece	17	4	5
France	10	4	5
Italy	6	4	4
Post Soviet States			
Moldova	214	14	16
Ukraine	151	13	17
Russia	160	14	18
Belarus	68	10	12
Georgia	89	41	45
Kazakhstan	160	63	73
Azerbaijan	90	74	89
Armenia	98	5	6
Kyrgyzstan	157	58	67

Indexes of Gender Development

Indexes of human development	Gender Development Indexes (2006)		Life Expectancy (2006)		Combined gross enrolment ratio in education (%) (2006)		Estimated Earned Income (PPP USD) (2006)		Education Index	Life Expectancy Index	
	Rank	Value	Women	Men	Women	Men	Women	Men	Value	Value	
1	Iceland	1	0.963	83.2	80.0	100.0	88.2	29,283	40,000	0.980	0.944
2	Norway	3	0.958	82.3	77.5	100.0	92.2	31,663	40,000	0.989	0.916
3	Canada	4	0.958	82.7	78.0	100.0	96.7	26,055	40,000	0.991	0.924
4	Australia	2	0.963	83.4	78.7	100.0	97.5	27,866	38,152	0.993	0.934
5	Ireland	13	0.944	81.1	76.2	99.1	96.2	23,295	40,000	0.985	0.894
7	Sweden	5	0.958	82.8	78.4	99.0	89.8	30,976	37,067	0.974	0.928
8	Japan	12	0.944	85.8	78.8	85.4	87.7	18,334	40,000	0.949	0.957
10	Switzerland	10	0.946	83.9	78.7	81.4	84.0	26,278	40,000	0.936	0.941
11	France	6	0.952	83.8	76.8	97.4	93.5	24,529	39,731	0.978	0.923
12	Finland	8	0.949	82.2	75.8	100.0	93.2	27,667	38,262	0.993	0.901
13	Denmark	9	0.946	80.3	75.7	100.0	92.6	29,796	40,000	0.993	0.884
14	Austria	23	0.929	82.4	76.7	92.1	89.0	16,047	40,000	0.962	0.910
15	United States	19	0.937	80.6	75.4	96.9	88.1	25,613	40,000	0.968	0.884
16	Spain	11	0.945	84.0	77.4	99.9	93.3	20,174	38,280	0.971	0.928
17	Belgium	17	0.939	82.0	76.1	95.9	92.8	20,683	40,000	0.974	0.901
18	Greece	15	0.940	81.3	76.9	100.0	97.0	21,181	40,000	0.980	0.901
19	Italy	16	0.939	83.3	77.4	94.7	89.1	19,168	38,878	0.965	0.923
21	Great Britain	14	0.941	81.3	76.9	92.8	85.9	26,863	38,596	0.957	0.903
23	Germany	21	0.937	82.0	76.4	87.5	88.6	24,138	39,600	0.954	0.904
26	Slovenia	24	0.920	81.3	73.8	98.1	87.7	19,246	31,010	0.969	0.878
33	Portugal	28	0.897	81.0	74.7	91.6	86.2	15,842	26,061	0.927	0.882
35	Check	30	0.894	79.3	73.0	85.1	81.9	16,603	27,585	0.938	0.853
38	Hungary	36	0.875	77.2	69.0	94.0	86.6	14,658	21,951	0.960	0.802
39	Poland	37	0.872	79.5	71.1	91.4	84.2	11,084	18,466	0.952	0.839
41	Slovakia	39	0.870	78.3	70.5	83.1	77.9	13,311	22,583	0.928	0.824
42	Estonia	40	0.869	76.8	65.7	98.2	84.6	15,122	23,859	0.964	0.771
43	Lithuania	41	0.868	78.2	67.1	97.6	87.2	13,265	18,533	0.968	0.795
44	Latvia	43	0.862	77.5	66.9	97.5	83.2	12,530	18,704	0.961	0.788
56	Bulgaria	51	0.832	76.5	69.3	82.9	81.8	8,219	12,459	0.930	0.798
62	Romania	54	0.825	75.8	68.7	81.7	76.7	8,648	12,286	0.914	0.786
67	Belarus	60	0.816	75.0	62.9	92.3	86.8	7,722	12,028	0.958	0.730
71	Kazakhstan	61	0.805	71.8	61.0	95.1	88.5	8,039	11,782	0.966	0.689
73	Russia	62	0.805	72.3	58.7	86.1	78.0	10,360	16,474	0.933	0.669
76	Turkey	72	0.780	74.1	69.2	66.3	75.7	4,959	17,988	0.824	0.776
82	Ukraine	70	0.783	73.7	62.0	91.5	86.3	4,648	8,045	0.956	0.712
83	Armenia	73	0.773	75.0	68.3	75.6	70.0	3,524	6,420	0.903	0.780
93	Georgia	..	..	74.6	66.8	77.3	72.1	2,044	6,185	0.909	0.763

97	Azerbaijan	81	0.755	70.9	63.6	65.3	67.2	4,915	7,495	0.881	0.704
108	Turkmenistan	..	..	67.2	58.7	..	..	3,461	5,420	0.907	0.630
113	Moldova	97	0.715	72.2	64.9	75.0	68.9	1,865	2,969	0.900	0.727
119	Uzbekistan	100	0.698	70.1	63.7	71.7	74.7	1,646	2,727	0.890	0.698
122	Kyrgyzstan	102	0.690	69.7	61.8	79.8	75.6	1,333	2,306	0.919	0.678
124	Tajikistan	106	0.680	69.2	63.9	64.3	77.4	1,182	2,041		0.691

source: <http://hdr.undp.org/en/media/HDI2008Tables.xls>

Gender Empowerment Measure

Human Development Index		Gender empowerment measure		Seats in parliament held by women	Women legislators, senior officials and managers	Women-professional and technical workers	Ratio of estimated female to male earned income
		Rank	Value	(%)	(%)	(%)	
1	Iceland	5	0.881	33.3	29	56	0.73
2	Norway	2	0.915	36.1	33	50	0.79
3	Canada	11	0.829	24.9	36	56	0.65
4	Australia	7	0.866	29.6	38	56	0.73
5	Ireland	3	0.727	15.5	31	52	0.58
7	Sweden	1	0.925	47.0	32	51	0.84
8	Japan	58	0.575	12.3	10	47	0.46
10	Switzerland	10	0.829	27.2	31	46	0.66
11	France	17	0.780	19.6	38	48	0.62
12	Finland	3	0.892	41.5	30	55	0.72
13	Denmark	4	0.887	38.0	25	53	0.74
14	Austria	19	0.748	26.6	29	48	0.40
15	United States	18	0.769	16.6	42	55	0.64
16	Spain	12	0.825	33.6	32	48	0.53
17	Belgium	9	0.841	36.2	31	49	0.52
18	Greece	26	0.691	14.7	27	49	0.53
19	Italy	21	0.734	20.2	33	47	0.49
21	Great Britain	14	0.786	19.6	35	47	0.70
23	Germany	8	0.852	30.6	38	50	0.61
26	Slovenia	37	0.625	10.0	33	56	0.62
33	Portugal	20	0.741	28.3	33	51	0.61
35	Check	31	0.650	16.0	29	53	0.60
38	Hungary	54	0.586	11.1	37	61	0.67
39	Poland	39	0.618	18.0	35	61	0.60
41	Slovakia	34	0.638	19.3	28	58	0.59
42	Estonia	30	0.655	20.8	34	68	0.63
43	Lithuania	42	0.614	17.7	40	71	0.72
44	Latvia	33	0.644	20.0	41	64	0.67
56	Bulgaria	44	0.605	21.7	32	62	0.66

62	Romania	80	0.500	9.6	30	57	0.70
67	Belarus	..	..	32.5	..	..	0.64
71	Kazakhstan	74	0.524	12.3	38	67	0.68
73	Russia	65	0.544	11.5	39	64	0.63
76	Turkey	101	0.371	9.1	8	33	0.28
82	Ukraine	86	0.453	8.2	38	64	0.58
83	Armenia	95	0.405	8.4	24	65	0.55
93	Georgia	96	0.399	6.0	33	62	0.33
97	Azerbaijan	88	0.434	11.4	16	51	0.66
108	Turkmenistan	..	..	16.0	..	..	0.64
113	Moldova	63	0.552	21.8	39	64	0.63
119	Uzbekistan	..	..	16.4	..	..	0.60
122	Kyrgyzstan	59	0.573	25.6	35	62	0.58

Source: <http://hdr.undp.org/en/media/HDI2008Tables.xls>

Utilisation of State Funds*

Countries is better situation	Belarus
Countries above average	Latvia; Moldova; Uzbekistan; Russia
Countries below average	Azerbaijan; Estonia; Kazakhstan; Kyrgyzstan; Latvia; Tajik; Ukraine
Countries in worse situation	Armenia; Georgia

source: <http://www.socialwatch.org/en/avancesyRetocesos/IEG/docs/GEI2007.doc>
http://www.socialwatch.org/en/informeImpreso/pdfs/genderequity2007_eng.pdf

* Indexes used to estimate State finances:

- Share of State finances in GDP;
- Share of State financial allocations in GDP
- State debt service share in GDP;
- Share of military costs in GDP

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