

# WOMEN AND POVERTY IN GEORGIA

Poverty is a multifaceted and structural phenomenon that interlinks all sectors of society, including the labour market, families, social security systems and political life.<sup>1</sup> Poverty affects men and women in different ways. It is especially prevalent among female-headed households, along with other vulnerable populations in Georgia.<sup>2</sup> This suggests the need for an intersectional and holistic approach to women's economic empowerment.

## What is poverty?

The term poverty refers to a situation in which inequalities disadvantage some people so much that “the deprivations they experience push them below what are viewed as basic standards”.<sup>3</sup> An individual or household is classified as poor if its resources are less than the value of a given monetary threshold (e.g. the poverty line). The poverty line is defined as “the aggregate value of all the goods and services considered necessary to satisfy the household's basic needs”.<sup>4</sup> Thus, poverty is interlinked with inequality, but it cannot be reduced to inequalities of income alone.<sup>5</sup> Different approaches have emerged with regard to the conceptualization and measurement of poverty, ranging from purely monetary to non-monetary approaches (e.g. poverty of capacities and social exclusion).

The gender perspective on poverty affirms the importance of understanding poverty as a process rather than a symptom.<sup>6</sup> A gender perspective, firstly, takes into account the historical, macro-social and micro-household dimensions of poverty.<sup>7</sup> Secondly, it critically questions poverty measures that assume that all individuals within a household have the same standard of living and that everyone within the household is equally vulnerable to shocks or has the same coping capacity. Finally, a gender perspective raises the issue of ‘missing dimensions’ of poverty data by highlighting such issues as informal employment, agency, time poverty and subjective well-being.<sup>8</sup>

## How is monetary poverty measured?

There is a wide spectrum of poverty estimates due to the multitude of ways to measure poverty lines. The most common approach is to measure monetary poverty in terms of income or consumption, which in turn are measured with respect to absolute poverty (or “having less than an objectively defined absolute minimum”) and relative poverty (or “having less than others”) lines.<sup>9</sup>

### Absolute poverty



Absolute poverty measurements are expenditure-based in Georgia. The national poverty line is estimated using the cost-of-basic-needs method. In 2020, the proportion of the population living below the absolute poverty line amounted to 21.3 per cent, with 20.9 per cent of women and 21.7 per cent of men,<sup>10</sup> thus showing no significant difference between men and women (SDG indicator 1.2.1).

A second measure of absolute poverty for Georgia is the share of people living below the international poverty line of US\$1.90 per day in 2011 purchasing power parity. In Georgia, 4.3 per cent of women and 4.2 per cent of men lived below the international poverty line in 2020 (SDG indicator 1.1.1). The share of women living below this poverty line has been consistently larger than the share of men (4.5 per cent versus 4.4 per cent in 2018; and 4.0 per cent versus 3.5 per cent in 2019).



The lack of access to technology and durable goods more broadly is one way in which poverty is manifested. In this regard, the Sustainable Development Goals (SDGs) recognize the critical importance of cell phone ownership in the contemporary world. In Georgia, the data suggest that women are slightly less likely than men to own a cell phone. In 2020, 85.8 per cent of women and 87.4 per cent of men owned a mobile telephone (SDG indicator 5.b.1).

## Relative poverty

The relative poverty line is set at 60 per cent of the national median consumption in Georgia. In 2020, the proportion of people living below 60 per cent of the median consumption was 19.7 per cent. Gender-disaggregated data for 2020 show 19.2 per cent of women and 20.1 per cent of men lived below the relative poverty line,<sup>11</sup> showing no significant difference between men and women.



The SDG indicator for relative poverty is slightly different, being defined as the share of people living below 50 per cent of median income (or consumption) (SDG indicator 10.2.1).<sup>12</sup> In Georgia, this figure stood at 13.4 per cent in 2020. The data are quite similar for men and women, standing at 13.7 per cent and 13.1 per cent, respectively, in 2020.

## Gendered experience of poverty

The causes of women's and men's poverty as well as their experiences of it differ significantly.

## Unpaid care work

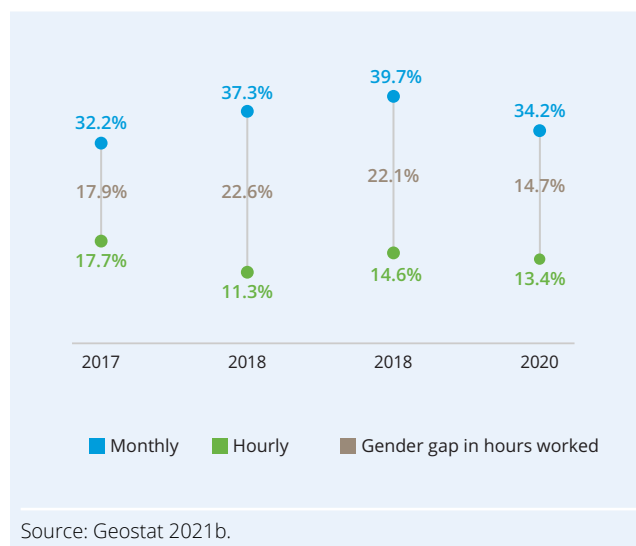
Women's disproportionate burden of unpaid household work negatively affects women's labour force participation in Georgia, where women spend three times more time on household work than men.<sup>13</sup> Economic inactivity, in the absence of appropriate social protection systems, increases the risk of poverty among the inactive population. When it comes to poor women, this unpaid work exacerbates their condition since their income level determines their ownership—or lack thereof—of advanced household appliances that would reduce their time spent on unpaid work. In Georgia, 70 per cent of women report being always or usually responsible for childcare,<sup>14</sup> and 49 per cent of women cite unpaid care work as the main reason for not working.<sup>15</sup> Since childcare responsibilities appear to be one of the key obstacles to women's economic activity, it is worth noting that poverty is an important factor affecting children's kindergarten enrolment in Georgia.<sup>16</sup> The pandemic has only exacerbated this situation, with increased unpaid care work and domestic work

responsibilities placed on women during the pandemic.<sup>17</sup> Thus, poverty is both a reason for and a result of women's economic inactivity.

## Low wages

In addition to unpaid care work and economic inactivity, women face an additional poverty risk as a result of their lower earning power. Across the world, women are engaged in lower-paid work. Similarly, women in Georgia earn 34.2 per cent less than men in unadjusted terms<sup>1</sup> at the monthly level.<sup>18</sup> Women have also been overrepresented in non-standard work arrangements such as part-time employment,<sup>19</sup> which in turn shows that they are more likely to receive lower rates of pay than full-time workers. Such gender gaps in wages and working hours could lead to 'in-work poverty'.<sup>2,20</sup> This pattern is reflected in the pay gap: when the raw pay gap is calculated at the hourly rather than the monthly level, it decreases from 34.2 per cent in 2020 to 13.4 per cent, reflecting the fact that women work 14.7 per cent fewer hours, as seen in the table below.

**FIGURE 1**  
Monthly and hourly raw gender pay gap and gender gap in hours



1 An unadjusted pay gap reflects the simple difference in earnings for a period of time between men and women. This hides differences in the hours that women and men work, their educational qualifications, and the horizontal segregation of men and women in different economic sectors, among a wide range of other factors. For more on this issue, see UN Women 2020a.

2 In-work poverty is when a person is working, but does not earn a sufficient income to be above the poverty line. For more on this concept, see <https://www.oecd.org/els/43650040.pdf>.

### Lack of decent work

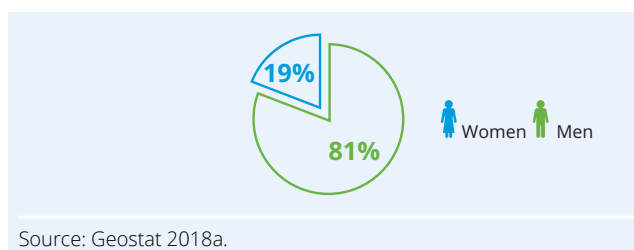
Decent work is a fundamental aspect of individual well-being. However, due to the disproportionate amount of time that women are required to spend on unpaid care work, they are more vulnerable to temporary, undervalued and precarious jobs as they need to combine work and care responsibilities.<sup>21</sup> Thus, an important share of the female labour force lacks decent jobs, which implies that they do not work within a formal economy regulated by national laws concerning working hours and leave, nor do they have social protections that are granted to those in formal work. Furthermore, unpaid care-work responsibilities increase women's chances of informal employment, while its redirection to women in the household reduces the chance that men will be informally employed.<sup>22</sup> In Georgia, almost a quarter of employed women are classified as self-employed.<sup>23</sup> This is noteworthy since wage employment and non-wage self-employment have different effects on household welfare. While working in formal employment increases household income and reduces the risk of poverty by almost nine percentage points, engagement in non-wage employment increases said income negligibly and does not reduce the risk of poverty.<sup>24</sup>

### Further considerations on poverty and gender

- **Female-headed households are more likely to be poor than male-headed households in Georgia, which indicates that women's poverty is closely linked to their family status.** In households where all adults are female, 39.3 per cent live in absolute poverty, compared with 19.7 per cent of households where all adults are male.<sup>25</sup> In line with the above, divorced women are 10 percentage points more likely to face poverty than married women.<sup>26</sup>
- **Poverty also has a significant long-term impact on children, with the risk of passing on poverty through the generations.** In many countries as well as in Georgia, poor children are most likely to live in single-mother families.<sup>27</sup> Generally, countries succeeding in keeping poverty risks down for single mothers also tend to do well for all families with children and vice versa.<sup>28</sup>

- **Poverty levels tend to decline as the education level of women in households rises.** For instance, the poverty rate of households where women have higher education is around half of the poverty rates of other types of households.<sup>29</sup> Conversely, women without a high school degree are three times more likely to be in poverty than women who have completed tertiary education.<sup>30</sup> Generally, households that have at least one member with tertiary education have an 8-percentage-point lower risk of poverty than others.<sup>31</sup>
- **Overall, pensions have a strong impact on reducing poverty rates, especially among elderly women in Georgia;** however, new components of the pension system will likely dampen this effect. In comparison to the general population, the non-contributory old-age pension provides high income replacement for lower-income groups.<sup>32</sup> For instance, when a household member starts receiving his/her pension, the risk of poverty reduces by 3–4 percentage points.<sup>33</sup> Female-headed households, which are overrepresented among the poor, benefit more from pensions due to the much larger number of female pensioners and the higher life expectancy of women.<sup>34</sup> In contrast to the universal non-contributory pensions, the new accumulative pension system, which was approved in 2018 in Georgia, will likely lead to a gender pension gap. Under the newly approved pillar of the pension system, employees, the Government and employers each contribute 2 per cent of a worker's income to a pension account, which receives interest. Given the gender wage gap and women's lower labour force participation rates, women will benefit significantly less than men from the new pillar of the pension system.<sup>35</sup>

**FIGURE 2**  
Land Ownership by Gender



- **Acquiring more land and increasing land plot size are associated with a lower risk of poverty.** However, women are less likely to own land in Georgia, where 81 per cent of land is owned by men and 19 per cent by women.<sup>36</sup> Data show that this pattern does not only apply to land, however. Women are also significantly less likely to own and make decisions over the sale of real estate and other major assets such as cars. The gaps in ownership and decision-making over assets are largest in rural settlements.<sup>37</sup>
- **Households with people with disabilities in them are more likely to experience poverty.** This holds even before accounting for healthcare expenditures. Data also indicate that even the poorest households with a person with a disability spend a larger share of their income on health care than the richest households in Georgia without a person with a disability.<sup>38</sup> Given that women are significantly more likely to have a disability, this issue should be viewed from an intersectional perspective and as a contributor to women's poverty.<sup>39</sup>

### Key takeaways

Women and men in Georgia are roughly equally as likely to experience poverty. However, the causes and consequences of poverty vary substantially for women and men. Women face significant unpaid care work burdens, resulting in weaker opportunities for engagement in the labour force. The lack of decent work opportunities increases women's chances of experiencing poverty. The gender pay gap further exacerbates poverty rates for women. All of these factors, among others, lead to female-only households being twice as likely to experience poverty as male-only households and weaker outcomes for children. The data suggest that ensuring women's access to education, and financial and non-financial resources through gender-sensitive policies is likely to pave the way towards poverty reduction and lead to improved developmental outcomes.

### ENDNOTES

- 1 Lancker, Perrons and Stratigaki 2015.
- 2 UN Women 2020b.
- 3 UNECE 2017.
- 4 Ibid.
- 5 Sen 1997.
- 6 ECLAC 2004.
- 7 Ibid.
- 8 Alkire 2007.
- 9 UNECE 2017.
- 10 Geostat 2021a; 2021b.
- 11 Geostat 2021c.
- 12 Geostat 2018b; 2019b; 2020.
- 13 UN Women 2018.
- 14 UNFPA 2020.
- 15 UN Women 2018.
- 16 UNICEF and Geostat 2018.
- 17 UN Women and CRRC 2020.
- 18 UN Women 2021b.
- 19 Ibid.
- 20 Lancker, Perrons and Stratigaki 2015.

- 21 Ibid.
- 22 UN Women 2018.
- 23 Geostat 2021a.
- 24 UNICEF 2019.
- 25 World Bank 2021.
- 26 Ibid.
- 27 Lancker, Perrons and Stratigaki 2015.
- 28 Ibid.
- 29 UNICEF and ACT 2018.
- 30 World Bank 2021.
- 31 UNICEF 2019.
- 32 ILO 2016.
- 33 UNICEF 2019.
- 34 UN Women 2020b.
- 35 ILO and UN Women 2020.
- 36 Geostat 2018a.
- 37 Geostat 2018c.
- 38 UN Women and Geostat 2021.
- 39 Ibid.



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*This brief was developed by UN Women Georgia Country Office in the framework of the UN Women projects "Women's Economic Empowerment in the South Caucasus" funded by the Swiss Agency for Development and Cooperation (SDC) and the Austrian Development Cooperation (ADC) and "Good Governance for Gender Equality in Georgia" supported by the Norwegian Ministry of Foreign Affairs.*