

# WOMEN'S ECONOMIC INACTIVITY IN GEORGIA

The economic aspect of gender inequality is commonly manifested in unequal access to employment for women. In Georgia, women face poorer labour market prospects than men, and the root cause of the gender inequality lies in the disproportionate distribution of care work and household responsibilities as well as in systemic unemployment. These issues were exacerbated by the COVID-19 pandemic.

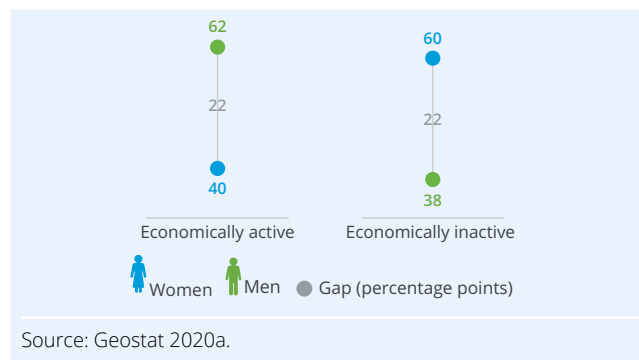
## Unemployment and economic (in)activity

When looking at women's economic status, it is necessary to bear in mind three key concepts: economic activity, economic inactivity and unemployment.

The **economically active population** is defined as the number of those who are employed and those who are unemployed (but have actively looked for work in the immediate past). The **economically inactive population**, meanwhile, refers to the section of the working-age population (aged 15+) that is neither employed nor has sought a job in the recent past.<sup>1</sup>

Women are 22 percentage points less likely than men to be part of the economically active population in Georgia (Figure 1).

**FIGURE 1**  
Economically active and inactive population in Georgia (percentage)



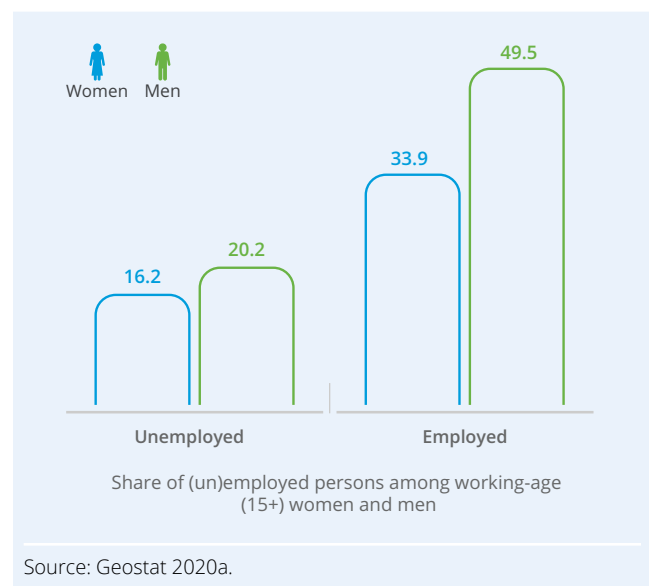
**Unemployment** is defined as a situation where individuals of working age (15+) do not have a job but have actively and unsuccessfully sought a job in the preceding four weeks.<sup>2</sup> According to this definition, people who are not working but do not want or have not sought out work recently are not considered unemployed.

Under this definition, women are slightly less likely to be unemployed than men in Georgia. The unemployment rate was 4 percentage points higher for men, while the employment rate was 15.6 percentage points higher for men than for women (Figure 2).



The total unemployment rate in 2020 was 18.5 per cent: 16.2 per cent for women and 20.2 per cent for men.<sup>3</sup> (SDG indicator 8.5.2)

**FIGURE 2**  
Employment and unemployment rates in Georgia, 2020 (percentage).



### Causes and consequences of women's economic inactivity

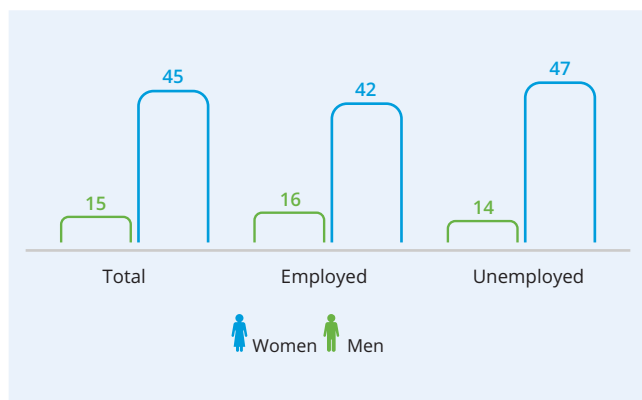
The fact that both the employment and unemployment rates are higher for men than for women in Georgia stems from the fact that a greater share of working-age women (15+) are counted as economically inactive. The gender differences in economic activity are the cumulated effects of a number of factors.

**First**, women have a higher life expectancy (77.7 versus 69.1).<sup>4</sup> Therefore, there are more elderly women than men in the country. Working age does not have an upper threshold. As a result, more women than men are considered working age (the difference being 167,800 in 2020).<sup>5</sup>

**Second**, the legal age of retirement for women is lower than that of men (60 versus 65). Even though many people above these ages remain in employment, many others retire at the legal retirement age. Thus, there are more women than men aged above 60 who are neither employed nor seeking employment.

**Third**, unpaid housework and care work discourage women from engaging in the labour force.<sup>6</sup> Data from a 2018 UN Women study suggest that women spend three times as much time on domestic and care work as men. Moreover, this changes little for women who work, meaning that the decision to work outside the home is analogous to taking on a second job (Figure 3).

**FIGURE 3**  
Number of hours spent on domestic and care work per week, by sex and employment status

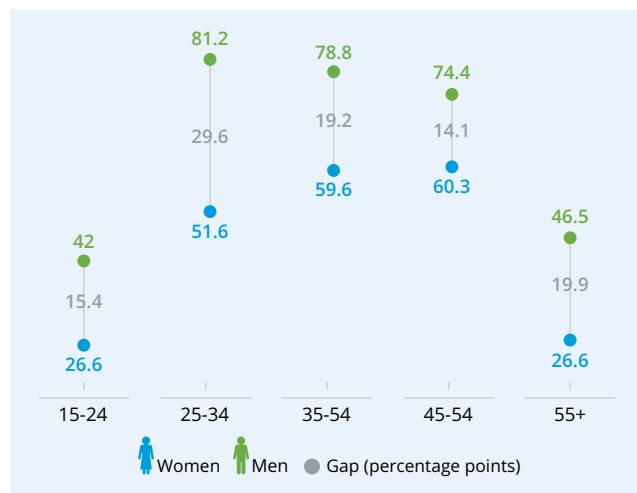


Source: UN Women 2018.

This is reflected in the fact that around half of women in Georgia report unpaid care work responsibilities as a key reason for not working.<sup>7</sup> Further, the presence of children in the household is associated with a significant reduction in female labour force participation.<sup>8</sup>

This pattern shows up in age- and sex-disaggregated data on labour force participation (Figure 4). Women in the reproductive age range (aged 18–45) are significantly less likely to be engaged in economic activity in Georgia, and the gap in labour force participation is largest in the 25–34 age range, the period of time when women are particularly likely to have children. The gap subsequently declines until women reach the oldest age group, where in there is a slight uptick in the participation gap. This is likely explained by the lower retirement age for women, as noted above.

**FIGURE 4**  
Labour force participation rate, by sex and age (percentage); and corresponding gender gap (percentage points)



Source: Geostat 2020a.

The uneven burden of care work around newborns further hampers women's economic activity. If people remain out of the labour market for long, their skills become outdated, making them less employable in the future. Long-term economic inactivity and the absence of special programmes for women re-entering the labour market after childbearing reduce women's chances of re-employment.

Notably, the COVID-19 pandemic appears to have exacerbated the pre-existing inequalities. While 42 per cent of women reported spending more time on at least one

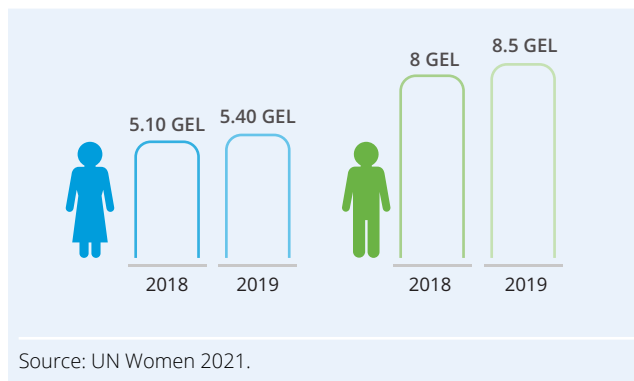
extra domestic task at the outset of the pandemic, only 35 per cent of men reported the same.<sup>9</sup> In the same vein, fewer women than men report that their partners have increased their role in domestic work.<sup>10</sup> This is probably one reason why women were disproportionately more likely to be laid off or furloughed during the pandemic, according to the World Bank.<sup>11</sup> Women made up two thirds (66 per cent) of workers who were laid off before June 2020. This worsened in the period following, with women making up three quarters (75 per cent) of workers who have been laid off since.<sup>12</sup>

**Fourth**, the gender pay gap in Georgia dis-incentivizes women from engaging in the labour market. As reflected in the gender pay gap, underpaid jobs and meager financial incentives discourage women from joining the labour force. A significant share of women report underpayment as the reason for not working or for leaving a job.<sup>13</sup> Employment status does not necessarily guarantee secure and adequate earnings for women. For instance, women might be in time-related underemployment (working part-time even when they want to work full-time), or they might be in disguised unemployment (having a job that adds very little to output). Such low-skilled and underpaid jobs against the backdrop of the limited availability of quality and free childcare services discourage women from engaging in economic activity. These findings suggest that if women and men had a decent minimum wage and equal income-earning opportunities, women's economic activity level would likely be higher. Notably, the gender pay gap was widening until the pandemic. On average, women's hourly earnings increased by GEL 0.30 between 2018 and 2019. In contrast, men saw a GEL 0.50 rise in hourly pay (Figure 5). This is reflected in an additional GEL 81 (6.3 per cent) increase in men's monthly earnings and GEL 46 (5.6 per cent) in women's monthly earnings on average.<sup>14</sup>



**FIGURE 5:**

Average hourly earnings of female and male employees, by sex (SDG indicator 8.5.1)



### Key takeaways

Women are significantly less likely to be engaged in the labour force and to be employed than men. While women have a slightly lower unemployment rate than men, this fact stems from their lower level of economic activity overall. The gaps in women's economic activity are, among other factors, caused by the following: (a) women living longer than men and older people working less than younger people; (b) women having a lower legal retirement age than men; (c) the gender gap in unpaid housework and care work; and (d) the gender pay gap. The provision of services that address the gendered gap in unpaid housework and care work, such as elder care, childcare, the assurance of universal access to kindergartens, all have the potential to help close the gender gap in economic activity. By setting minimum wage rates at levels that are appropriate to national circumstances and ensuring equal pay for work of equal value, the gendered gap in employment might too shrink.



## ENDNOTES

- 1 ILO 1982.
- 2 ILO 2014.
- 3 Geostat 2020a.
- 4 Geostat 2020b.
- 5 Geostat 2020a.
- 6 UN Women 2018.
- 7 Ibid.
- 8 UN Women and UNICEF 2021.
- 9 UN Women and CRRC 2020.
- 10 Ibid.
- 11 World Bank 2021.
- 12 Ibid.
- 13 UN Women 2018.
- 14 UN Women 2021.

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