POLICY BRIEF

HOW TO ELIMINATE THE GENDER PAY GAP IN GEORGIA

Context

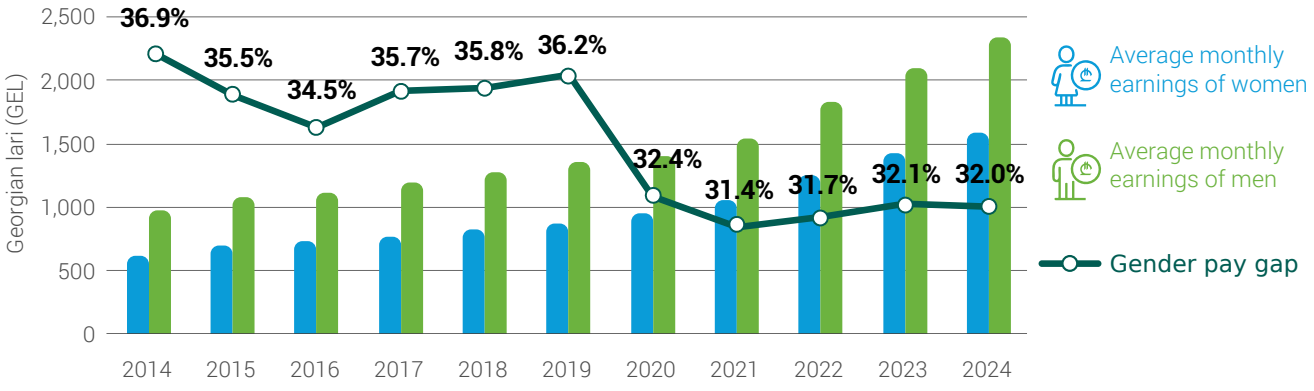
Ensuring equal remuneration for work of equal value is a foundation of both social justice and economic development. Although numerous reforms have been implemented in the field of labour and employment relations in Georgia in recent years, gender equality in labour relations and the protection of women's labour rights remain one of the most significant challenges.[1]

In this regard, one of the main problems is the gender pay gap—the difference in earnings between men and women. It is considered one of the most significant indicators of economic inequality between men and women in Georgia.

According to the 2024 data, the gender pay gap in Georgia amounted to **32 per cent** (Figure 1).[2] Women are paid less than men in every sector of the economy. The widest gaps were reported in the following sectors:

- Financial and insurance activities: 49.8 per cent;
- Manufacturing: 39.6 per cent.[3]

FIGURE 1
Average monthly earnings of employees and the gender pay gap in Georgia, 2014–2024



Source: National Statistics Office of Georgia, based on the author's calculations.

What are the causes of the gender pay gap?

The gender pay gap is caused by a variety of important factors, including the following:

- **Horizontal segregation of the labour market:**[4] Women are primarily employed in those sectors and fields where wages are relatively low. Conversely, in male-dominated sectors, wages are typically higher. For example, in the education sector, where 86.1 per cent of employees were women in 2024, the average monthly wage was 1,233 Georgian lari (GEL), which is 37 per cent lower than the average salary in Georgia.
- **Vertical segregation of the labour market:** Vertical segregation, also known as a 'glass ceiling', means that women have restricted access to high-paying jobs.[5] As of 2024, the number of male managers in Georgia exceeded the number of female managers by 51.9 per cent.
- **Unequal distribution of unpaid care work:** According to a survey conducted in 2024, 71 per cent of the population agrees that women should engage less in paid work and devote more time to their families.[6] According to data from the Georgia Time Use Survey, women spend 4.8 times more time on unpaid domestic care work than men.[7] As a result, women have less time left for paid work and career development.
- **Inadequate standard on the minimum wage:** The current standard on the minimum wage in Georgia (GEL 20 per month[8]) does not meet the basic needs of workers and their families and represents one of the most significant challenges in the labour market. This issue is a particular concern for low-paid sectors and positions, as the minimum wage affects them most of all.[9] It is noteworthy that the percentage of women in such sectors and positions is disproportionately high. The importance of the minimum wage for ensuring gender equality in Georgia is best demonstrated in the education sector: After the introduction of a minimum wage for public school teachers in this sector in 2015, the gender pay gap significantly decreased—from 22 per cent in 2015 to 14 per cent in 2016.
- **Inadequate maternity and parental leave policies:** According to the legislation, civil servants and public school teachers are paid their full salary during maternity leave. Meanwhile, for workers who do not have the status of civil servants in public service and for employees in the private sector, the cumulative remuneration for six months of maternity leave does not exceed GEL 2,000, which is no more than GEL 333 per month. This amount cannot provide adequate living conditions for a mother and a child. Moreover, currently Georgian legislation does not recognize or regulate paternity leave.
- **Discrimination:** It should be taken into account that there is a so-called unexplained part of the gender pay gap, one which is not explained by work experience, personal characteristics or other observable factors and can only be caused by sex-based discrimination. Namely, even when women have the same characteristics as men, employers view the women differently—for work of equal value—due to differing perceptions, expectations, stereotypes and prejudices.[10]

To what extent does the national legislation align with international standards?

The issue of equal pay for work of equal value for women and men is regulated by the fundamental Convention No. 100 of the International Labour Organization (ILO) concerning Equal Remuneration for Men and Women Workers for Work of Equal Value,[11] which was ratified by Georgia. The Convention is also accompanied by Recommendation No. 90,[12] as well as other international acts,[13] including EU directives.[14]

In 2021, Georgia joined the Equal Pay International Coalition (EPIC) and committed to taking concrete steps to eliminate the gender pay gap.

Below is a comparative analysis of Georgian legislation in terms of compliance with international standards.

Non-discrimination

According to the Labour Code of Georgia[15] and the Law on Public Service,[16] employers shall ensure equal remuneration of female and male employees for equal work performed. However, the current legislation of Georgia is not aligned with the requirements of ILO Convention No. 100 and EU Directive 2006/54/EC on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation.[17] In particular, *international standards provide* ***for 'equal pay for work of equal value'****, while the Georgian legislation provides only for 'equal pay for equal work'.*

The concept of remuneration

The concept of remuneration has been defined in the Labour Code of Georgia since 2020: "Remuneration is the basic or minimum wage or salary, or any other pay, paid in cash or in kind and received, directly or indirectly, by an employee from the employer in exchange for the performance of work." *In terms of the concept of remuneration, the provision in the Georgian Labour Code is* ***fully consistent*** *with the ILO standard.*

Remuneration assessment methodology

Georgia does not have an institutional framework or national guidelines for a methodology with which to measure and assess work,[18] which makes it impossible to assess and compare the value of work performed by men and women. Nor has the Labour Inspection Office developed a similar methodology, although it is the State body responsible for overseeing the issue of equal pay for equal work in Georgia.[19]

To ensure compliance with ILO Convention No. 100 and EU Directives 2006/54/EC and 2023/970,[20] *Georgia should develop a* ***methodology based on objective criteria for remuneration assessment****. Before that, it is important to define the principle of 'equal pay for work of equal value' in the legislation.*

Pay transparency

Pay transparency is a key tool to ensure that men and women receive equal pay for equal work. It contributes to reducing the gender pay gap and, in general, overcoming gender inequality in the labour market.[21] Georgia does not have a pay transparency policy or practice. Moreover, Georgia is among the countries where the practice of so-called 'pay confidentiality' is exercised verbally or is regulated in the by-laws. EU Directive 2023/970 stipulates that women and men should be guaranteed equal pay for equal work or for work of equal value, through pay transparency and enforcement mechanisms. *It is therefore necessary to have* ***pay transparency standards*** *defined in the national legislation in Georgia.*

Minimum wage

According to ILO Recommendation No. 90, the minimum wage is important for ensuring equal pay for work of equal value. ILO Convention No. 131 on Minimum Wage Fixing,[22] which Georgia has not ratified, stipulates that the minimum wage should satisfy the needs of workers and their families. According to EU Directive 2022/2041 on adequate minimum wages,[23] the ratio of the gross minimum wage should be at least 50 per cent of the gross average wage, or 60 per cent of the gross median wage.

The minimum wage in Georgia has not undergone any changes since 1999 and amounts to only GEL 20 per month. This amount is 13 times less than the country's subsistence minimum[24] and 110 times less than the average wage.[25] The minimum wage is also fixed in two economic sectors—education and health care—although it does not cover all employees in these sectors. *The national **minimum wage standards currently in force do not comply with international standards**. The existing level of the minimum wage is not sufficient to meet the basic needs of workers and their families and, overall, is significantly less than the average wage in the country.*

Scope of application

The scope of application of ILO Convention No. 100 and the related EU Directives is broad. It covers "all workers", regardless of whether they work in the public or private sector, in the formal or informal economy, and irrespective of their status or type of contract. Georgian labour legislation does not cover informal employees. Consequently, labour protection guarantees do not extend to them. To ensure compliance with international standards, *it is essential that the national legislation and enforcement mechanisms cover **all workers**. Accordingly, labour rights must apply equally to all categories of workers, regardless of their status or sector of employment.*

Enforcement

Prior to 1 January 2021, cases of labour rights violations in Georgia were reviewed only by the court or the Public Defender's Office. Since 1 January 2021, the Labour Inspection Office has been operating as the State body supervising the enforcement of labour legislation.[26]

Although the Labour Code establishes the principle of equal pay for equal work, none of the bodies supervising the prohibition of discrimination, including the Labour Inspection Office, has any official, nationally approved guidelines by which it would be possible to determine the gender pay gap, or to identify or exclude the discriminatory factor if the gap is discovered. Furthermore, the absence of a job classification system or methodology at the national level also hinders the identification of potential cases of unequal remuneration.

There is yet another problem that emerges during the discussions about the value of work in the context of compliance with EU standards: The Labour Code of Georgia does not recognize equal pay for work of equal value. Consequently, there is no methodology for measuring the value of work in the country. Thus, despite the formal regulation of the equal pay standard, this issue still represents a significant challenge due to the lack of enforcement instruments. To ensure compliance with international standards, *the mandate of the Labour Inspection Office should include the **monitoring of equal pay for work of equal value**. Furthermore, it must have an appropriate methodology for assessing the value of work, as well as guidelines for determining the gender pay gap.*

What steps should Georgia take to eliminate the gender pay gap?

As a country, Georgia should take the following effective steps with the active involvement of social partners and based on international best practices:

1

Legislative amendments and policy changes

- Define the principle of equal pay for work of equal value in the Labour Code in accordance with ILO Convention No. 100.
- Develop a national methodology for assessing the value of work based on EU standards.
- Extend labour rights, including maternity protection, to all workers, regardless of status or sector.
- Ratify ILO Convention No. 131 and fix an adequate minimum wage that is periodically reviewed by a tripartite commission.

2

Pay transparency and enforcement

- Create and implement pay transparency systems.
- Require employers to submit reports on the pay gap and a plan of preventive measures.
- Ensure that the Labour Inspection Office conducts monitoring at workplaces and cooperates with employees and employers.
- Develop a methodology for identifying and evaluating the gender pay gap.

3

Awareness-raising and building institutional capacities

- Conduct trainings for judges, lawyers, labour inspectors and civil servants on gender equality.
- Build the capacity of the Labour Inspection Office in the area of identifying and responding to gender pay imbalances.
- Raise the awareness of employees and employers so that they are able to realize their existing rights.

4

Role of the employer

- Develop an internal anti-discrimination policy that incorporates the principle of equal pay.
- Define non-discriminatory pay standards and a job classification system.
- Ensure pay transparency and access to relevant policies for workers.
- Ensure cooperation with the Labour Inspection Office and with associations of workers.
- Define a methodology for eliminating the gender pay gap while adhering to international standards.

Why is it important to reduce the gender pay gap?

Ensuring gender equality with regard to remuneration is, first and foremost, a fundamental human right. When achieved, it has a direct impact on and improves the social status and economic well-being of women and girls. This, in turn, will strengthen the socioeconomic stability of their families and communities and reduce poverty.

Reducing the gender pay gap is not only about social justice; it can also become an important economic lever. Equal pay will contribute to a more efficient use of labour resources, enabling the country to achieve higher levels of economic growth and development.

Endnotes

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2 National Statistics Office of Georgia (Geostat). 2024.

3 These figures represent the unadjusted gender pay gap.

4 According to a UN Women study, horizontal gender segregation in Georgia ranges from low to medium. See: UN Women. 2020. Analysis of the Gender Pay Gap and Gender Inequality in the Labour Market in Georgia. https://georgia.unwomen.org/en/digital-library/publications/2020/03/analysis-of-the-gender-pay-gap-and-gender-inequality-in-the-labor-market-in-georgia.

5 The above-cited 2020 UN Women study 'Analysis of the Gender Pay Gap and Gender Inequality in the Labour Market in Georgia' did not find any sharp vertical segregation in Georgia. Although women were underrepresented in managerial positions, the difference was not clear-cut, and the data contradicted the 'glass ceiling' effect. According to the study, signs of vertical gender segregation appeared only in such occupations as legislators, high-ranking government officials and high-ranking managers. However, the analysis of activities in the study was conducted at the four-digit level. Accordingly, the margin of error of the assessment was high. Later, UN Women conducted a more detailed analysis of activities, which confirmed the existence of vertical segregation in the Georgian labour market.

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9 D. Cengiz, A. Dube, A. Lindner and B. Zipperer. 2019. "The Effect of Minimum Wages on Low-Wage Jobs." The Quarterly Journal of Economics 134 (3), pp. 1405–1454. https://doi.org/10.1093/qje/qjz014.

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16 Parliament of Georgia. 2015. Law of Georgia on Public Service. https://www.matsne.gov.ge/document/view/3031098?publication=62.

17 European Parliament and Council of the European Union. 2006. Directive 2006/54/EC.

18 Ibid., paras. 30, 35.

19 Parliament of Georgia. 2010. Organic Law of Georgia – Labour Code of Georgia, article 76.

20 European Parliament and Council of the European Union. 2023. Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms. https://eur-lex.europa.eu/eli/dir/2023/970/oj/eng.

21 ILO. 2022. Pay transparency legislation: Implications for employers' and workers' organizations. https://www.ilo.org/publications/pay-transparency-legislation-implications-employers-and-workers.

22 ILO. 1970. R135 - Minimum Wage Fixing Recommendation, 1970 (No. 135). https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312473:NO.

23 European Parliament and Council of the European Union. 2022. Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union. https://eur-lex.europa.eu/eli/dir/2022/2041/oj/eng.

24 According to Geostat data, as of December 2024, the subsistence minimum is GEL 260.30.

25 According to Geostat data, as of the fourth quarter of 2024, the average monthly salary is GEL 2,217.50.

26 Parliament of Georgia. 2020. Law of Georgia on Labour Inspection. https://matsne.gov.ge/document/view/5003057?publication=6.

UN Women exists to advance women's rights, gender equality and the empowerment of all women and girls. As the lead UN entity on gender equality, we shift laws, institutions, social behaviours and services to close the gender gap and build an equal world for all women and girls. We keep the rights of women and girls at the centre of global progress – always, everywhere. Because gender equality is not just what we do. It is who we are.

UN Women Georgia Country Office
87 Paliashvili Street, Office Suite 4,
Tbilisi 0179, Georgia

Tel: (995 32) 222 06 04 / (995 32) 222 08 70
www.unwomen.org georgia.unwomen.org

Swiss Cooperation Office South Caucasus
International Partnerships Austria
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