

Employment Gender Inequality: Overlook of Georgian Labor Market

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Abstract Labor market gender disparity – is the problem for many country. Employment sphere gender vertical and horizontal segregation and gender stratification refers to the overrepresentation of women or men in certain types of jobs and their under-representation in others. Despite of passage of the legislation guaranteeing equal employment opportunities and equal pay for women and men, despite some progress in the achieving of gender equality in different sphere of life, the employment sphere remains highly gender-segregated. Employment gender disparities can be given in terms of labor market participation, occupation, employment sectors, and income. This research is concentrated on the particularities of employment gender disparity in Georgia. Given paper presents the analyze of labor market in Georgia by criteria such as: gender differences in labor force participation and employment rate, employment gender division by kind of activity, occupation, employment status, and gender pay disparity. For the calculation and analysis of the pay gender disproportion two indexes are used: the Index of Pay Gender Differentiation (PGD) and the Index of Pay Gender Gap (PGG).

Keywords: *gender, labor market, inequality, Index of Pay Gender Differentiation (PGD), Index of Pay Gender Gap (PGG)*

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1. Introduction

Employment gender inequality is widespread issue of labor market around the world. It is justified by large number of scientific contributions and reviewers ([1,4,8,9,15,19,22] etc.).

Employment gender inequality involves unequal results of similar efforts and might obstacles to functioning of labor market and economic system as whole.

The investigation of labor market gender-specific functioning and striving to close gender gap in various spheres of human activity transcends national boundaries and took on global character.

Hundreds of statutes and policies adopted by different international organization, government and non-government organizations of different countries are directed to close the gender gap in all fields of a life ([10-14,16], etc.).

Despite of ongoing efforts of Georgian government to promote gender equality, despite of an adoption of statutes and policies for closing the gender gap in all field of life, the labor market in Georgia still labeled by a lack of gender equality.

The purpose of this article is to explain the gender-based situation on the labor market in Georgia and to demonstrate the evidence of gender gap in an employment sphere and make its common analysis.

2. Labor Market Gender Disparity in Georgia

Despite of the passage of the legislation guaranteeing the labor market equal employment opportunities and equal pay for women and men, despite of the some progress in the achieving of gender equality in different sphere of life, the employment sphere in Georgia remains highly gender-segregated.

Employment gender disparity is given in terms of gender differences in labor force participation, occupation, employment sectors, and income. The criteria “Economic Participation and Opportunity” is one of four sub indexes of Global Gender Gap Index (GGGI), that indicates “the magnitude of gender-based disparities and tracking their progress” [21]. According to GGGI the sub indexes “Economic Participation and Opportunity” includes Labor force participation; Wage equality for similar work; Estimated earned income; Legislators, senior officials and managers; Professional and technical workers. This analysis includes criteria as follow: gender differences in labor force participation and employment rate, employment gender division by kind of activity, occupation, employment status, and gender pay disparity.

Labor market gender inequality is common issues to all countries but every country has own-country-specific context.

This research is concentrated on the particularities of employment gender disparity in Georgia.

2.1. Labor Force Participation and Employment Rate

Over the last about twenty years, the participation rate (or the share of the population 15 and over either working or actively seeking work) in Georgia for both – males and females - is not well-defined (Figure 1) and the periods of decline in labor force participation rate alternate with periods of its slight growth.

Over the period from 1995 to 2014 female’s labor force participation rate was below that male’s labor force participation rate. On this criteria Georgian labor market doesn’t stand out from other countries ([1,4,8,12,14]).

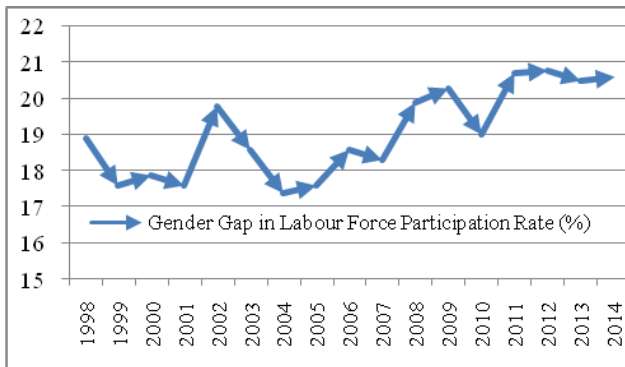


Figure 1. Gender Gap in Labor Force Participation Rate (%)

Source: Own calculations using GeoStat data

The participation rate gap between male and female fluctuated in this period between lower bound about 17.4 percentage points in 2004 to upper bound about 20.8 percentage points in 2012 and shows a growth tendency of about 2.9 per cents during the period 1995-2014 (Figure 2).

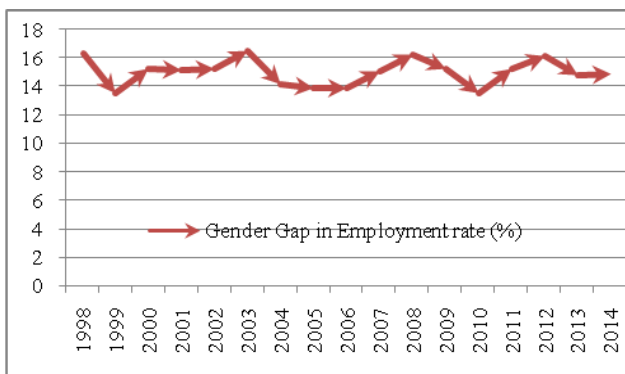


Figure 2. Gender Gap in Employment rate (%)

Source: Own calculations using GeoStat data

Period covering 1995-2003 and 2011-2014 the employment rate of men increased from 63.4% to 67.5% and from 61.2% to 64.5% respectively. But in 2008-2009 the employment rate was significantly dropped and touched bottom of 61.1%. Such position remained unchangeable till 2010.

The lowest employment rate of women was noted in 2008 and concurred with year of beginning of World financial crisis. In this year the employment rate for women equaled 44.9%. The highest level (52%) of employment rate within women was noted in 2001.

Over the given period (1995-2014) an average employment rate for men was 64.1% and for women – 49.5% and gender gap in employment rate fluctuated within the bounds of 13.6% and 16.3% (Figure 2).

2.2. Gender-based Employment Segregation

Employment gender vertical segregation manifests itself as over- or under-representation of women and men in certain types of jobs. Segregation involves unequal results of similar efforts and might obstacles the functioning of labor marker and has” implications for the effectiveness of economic policy aimed at altering output” [3].

2.2.1. Employment Gender Division by Kind of Activity

There are significant gender differences in men’s and women’s employment by kinds of activity. Women are concentrated predominantly in low-pay sectors such as education, healthcare, social services, accommodation and food service, and households while the men-dominant sectors are relatively highly-paid.

According to analysis of available data there are 4.8 times more women than men in education sphere in Georgia.

The gender disparity in labor division by kind of activities is more significant in healthcare and social services where work 5.4 times more women than men (50.6 thousands of female vs. 9.3 thousands of male).

Greater disparity in male-female division by kinds of activities (Figure 3) was found in the households activities. The data calculation shows that there are 7.0 times as much women-employed that men-employed in the households in Georgia.

Those kinds of activities are female-dominated sphere. Those sectors are less attractive to men because of low pay and men are less concentrated there. Conversely, men are more often employed in the highly-paid sectors of economy.

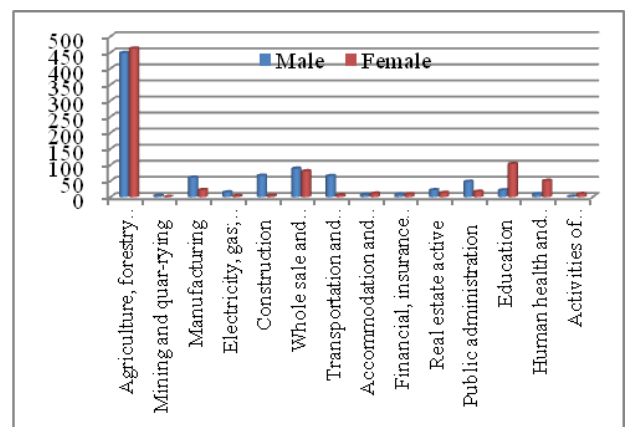


Figure 3. Employed by kind of activity and sex (Thous. Persons)

Source: Own calculations using GeoStat data

Construction, mining and quarrying, transport and storage, electricity, gas and water supply are biggest employers, providing jobs for men in work in all of them. The highest disparities in the concentration of female’s-male’s employment are in construction where works 14.4 times more men than women. Analogical situation is

characterized to transportation and storage as well as to mining and quarrying where works 10.9 and 10.7 times more men than women respectively.

2.2.2. Employment Gender Division by Occupation

Like to other countries male and female in Georgia vary in the jobs that they do.

The highest concentration of women’s employment is found in group “Expert with higher qualification”: around 35 % of women are represented there (Figure 4).

Other biggest groups of women’s employment are “Service workers” and “Expert with mid-qualification” where work 29% and 16% of worked women of Georgia respectively. The highest concentration of men’s employment is “Service workers” and “Qualified employees in manufacture” where are employed 23% and 29% of all worked men in Georgia and 18% of employed men work as “Experts with mid-qualification”.

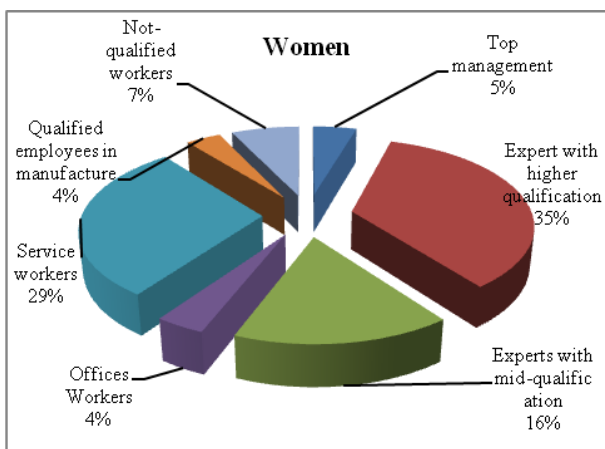


Figure 4. Employees in the national economy (Women)

Source: Own calculations using GeoStat data

It means that there is about 1.9 times more female that male among the “Expert with higher qualification” and about 1.3 times more female that male among the “Experts with mid-qualification”.

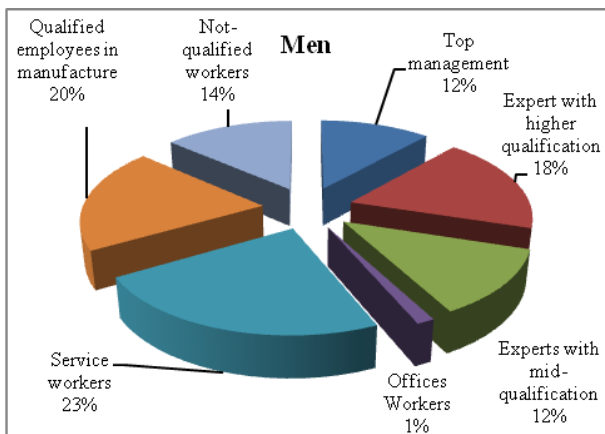


Figure 5. Employees in the national economy (Men)

Source: Own calculations using GeoStat data

Such situation is not surprised because education system in Georgia (beginning from secondary professional school) is predominantly feminized and in the higher education institutions (state and private) studies approximately 27% more female that male. According to

statistical data among employed women 21% of women have professional secondary education, 29.% of women have higher education and among employed male secondary vocational education has 16.9 % of men and higher education has 28.6% of men. So, it is safe to say that women in Georgia by their general secondary, vocational and higher education level do not lag behind men, but in a certain sense have even advantage of men.

But situation is changed dramatically for the “Top management”. Among the heads of management there are at 2.64 times more men than women. By other words the ratio between men and women in top managerial position is 73% for men opposite 27% for women.

It means that despite a high education level, women are less presented in high managerial positions and gender disproportion proves out at the level of realization of educational potential.

2.2.3. Employment Gender Division by Employment Status

Employment gender inequality is linked to the status of employment.

The male-female ratio among hired workers was 54% versus 45% in favor to men in 2014. By other words the gap in correlation between hired male-workers and hired female-workers is 9 per cent. In comparison with 2010 the situation a bit improved and the gap in hired male-female workers correlation was downed by 2 per cent.

Women in Georgia are less likely than men to be employed as own-account workers and there were 2 times more men than women among own-account workers in Georgia. In comparison with 2010 the gap in male-female ratio among own-account workers became worse.

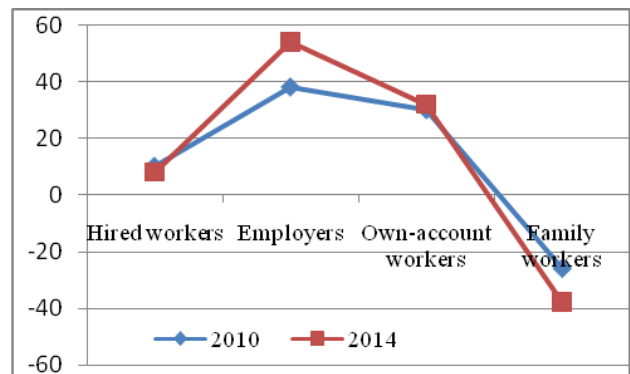


Figure 6. Gender Gap in male-female workers correlation by Employment Status (%)

Source: Own calculations using GeoStat data

The gender disproportion in the employment sphere by employment status is reflected above all in differences of employed by status “Employers”. Among employers the number of women is lowest and there is the biggest disproportion between working men and women: there was 3.3 times more employers-male than employers-female in 2014. The male-female proportion in the status “Employers” is 77% of men versus 23% of women and the gap in correlation of male-female employers equaled 54%. It is necessary to be noted that the over to last some years the situation through this employment status was retrogressed. For instance, in 2010 there were 2.6 times more male that female among employers and the gap in

correlation of male-female employers was 38%. It means that the gap in correlation of male-female employers increases by 1.4 times.

Completely opposite situation is found in male-female balance among family workers: women continue to work predominantly in families and there are 2.2 times more women than men among “family workers” versus 1.7 times in 2010. The gap in male-female family workers increases dramatically - from 26% in 2010 to 38% in 2014.

Therefore, as the analysis of statistical data shows there is significant employment gender disproportion in Georgia. In particular, there are essential gender differences in economic activity rate and employment rate; employment segregation is given in terms of differences of gender labor division by selected branches, kinds of economic activities, in occupation, in employed by employment status etc. Despite of some specific particularities the situation on the employment sphere of Georgia doesn't contrast sharply with that in the other countries and there are essential gender disparity on Georgian labor market which is given in the terms of differences in labor force participation and employment rate, differences in employment gender division by kind of activity, occupation, and employment status.

Those gender disparities of employment are concentrated in the gender pay disproportion. The author considers gender pay disparity as result and as indicator of labor market gender inequality.

3. Pay Gender Disproportion in Georgia

As much as regulatory documents granted men and women equal rights, working men and women earn equal pay for equal work in Georgia. Through microeconomic-level analysis may seem that gender equality in remuneration of job is achieved. But the macroeconomic-level analysis shows dramatically opposite result.

Usually for the calculation of gender disparity in the payment for labor the index of Gender Pay Gap is used. The parameter Gender Pay Gap (GPG) “is defined as the difference between average gross hourly earnings of male paid employees and female paid employees, expressed as a percentage of average gross hourly earnings of male paid employees” [[14], p. 251], i.e. it is the relation

between the level of pay of women and the pay of men, expressed in per cent.

Such approach expresses only the existent situation but leaves out the vector of its change. In order to make more in-depth macroeconomic analyses of employment gender pay disproportion GPD and to define the directions for the development of the gender equality policy, two indexes [5]: the Index of Pay Gender Differentiation (PGD) and the Index of Pay Gender Gap (PGG) – are used in this paper.

3.1. The Index of Pay Gender Differentiation (PGD)

The Index of Pay Gender Differentiation (PGD) represents a parity of pay of female (Pf) to pay of male (Pm) and expresses not only the existing relation between men's and women's pay but defines the dynamics for their closing on. Therefore PGD shows the direction for attain of gender equality on the employment sphere.

$$PGD = \frac{Pf}{Pm} \rightarrow 1, \quad (1)$$

Where PGD, Pf, Pm >0

Pf- is female's pay,

Pm- is male's pay.

There could be three situations:

1). $PGD = \frac{Pf}{Pm} = 1$ expresses the ideal situation of pay gender equality when men's pay equals to women's pay $Pf = Pm$.

2). $PGD = \frac{Pf}{Pm} > 1$ expresses the situation when women's pay exceeds men's pay.

3). $PGD = \frac{Pf}{Pm} < 1$ expresses the situation when men's pay exceeds women's pay.

Situations 2 and Situation 3 express the gender pay disproportion in an employment sphere: Situations 2 instance the gender disproportion of pay in favor of women and Situations 3 - disproportion in favor of men.

The examples of the Index of Pay Gender Differentiation (PGD) calculation by the kinds of activity are given in the Table 1.

Table 1. Index of Pay Gender Differentiation (PGD) and its Analyses

Kind of Activity 2014	Male (GEL) Pm	Female (GEL) Pf	Indexes PGD	
<i>Agriculture, forestry and fishing</i>	517.1	399.7	0.77	<1
<i>Mining and quarrying</i>	923.1	654.2	0.71	<1
<i>Manufacturing</i>	772.2	501.9	0.65	<1
<i>Electricity, gas; Water supply</i>	995.0	961.3	0.97	<1
<i>Construction</i>	884.3	661.7	0.75	<1
<i>Whole sale and retail trade</i>	830.6	519.5	0.62	<1
<i>Hotels and restaurants</i>	545.5	366.6	0.67	<1
<i>Transport and communications</i>	1145.5	798.4	0.70	<1
<i>Financial intermediation</i>	2003.5	1970.4	0.98	<1
<i>Real estate activities</i>	886.7	766.4	0.86	<1
<i>Public administration</i>	1193.6	1039.9	0.87	<1
<i>Education</i>	498.9	400.2	0.80	<1
<i>Health and social work</i>	888.0	777.6	0.87	<1
<i>Community, social and personal service activities</i>	795.3	561.5	0.71	<1
<i>Total</i>	920.3	585.0	0.84	<1

As it is shown on the Table 1 the Index of Pay Gender Differentiation is at odds with pay gender equality ideal situation and the index is below that 1 in all kinds of activities. It means that men’s earnings exceed women’s earnings and there is a gender pay disparity on the labor market in Georgia in favor of male.

The total Index of Pay Gender Differentiation in 2014 equaled to 0.84. In comparison with 2005 the index decreased on twenty points or fall from 0.64 to 0.84. It means that by different reasons (that are the subject for separate investigation) the situation on Georgia labor market slightly improved. But it doesn’t mean that there is gender harmony in labor market in Georgia.

With purpose to define how much efforts could be made to achieve labor market gender equality, the Index of Pay Gender Gap (PGG) could be used.

3.2. Index of Pay Gender Gap (PGG)

Index of Pay Gender Gap (PGG) shows pay deviation from ideal gender pay equilibration (PGD=1).

The Index of Pay Gender Gap (PGG) is calculated on the base of Index of Pay Gender Differentiation. Given Index expresses the quantity of gap in pay of men and women which should be closed.

$$PGG = \pm |1 - PGD| \tag{2}$$

$$PGG = \pm |1 - PGD| \rightarrow 0 \tag{3}$$

$$PGG = \pm \left| 1 - \frac{P_f}{P_m} \right| \rightarrow 0 \tag{4}$$

The marks (+) or (-) show the direction of deviation: the negative mark (-) means that the deviation of gender pay gap exists in favor to women while the positive mark (+) expresses that the deviation of gender pay gap is in favor to men. The modulus $|1 - PGD|$ expresses the absolute value of deviation from ideal gender pay situation

The formula (2) expresses an actual gender pay deviation from gender-equilibrium balance and the formulas (3) and (4) express the desirable direction of change the existing situation.

By other words, in ideal situation the Index of Pay Gender Gap (PGG) have to be tend to zero, when $\frac{P_f}{P_m} = 1$ and therefore $P_f = P_m$.

The Index of Pay Gender Gap (PGG) shows in what direction should be developed the gender disparity overcoming policy. As largest is the PGG as more effort for its negotiation should be done for its overcoming.

The Index of Pay Gender Gap (PGG) means, that as closer is the index to zero as less is the pay gender gap and the labor market is nearer to close the gender pay inequality.

As the figure 7 shows, the largest absolute value of deviation from pay gender gap equilibrium exceeds in the activity “Sale and Trade“ and it’s module (magnitude) equals 0.38. Next largest deviation from pay gap equilibrium is in Manufacturing, where the Index of Pay Gender Gap equals 0.35, in Transportation and storage (0.30), and the smallest deviation from pay gender gap equilibrium is found in Financial and insurance activities. In this kind of activity the PGG equals 0.02.

Be applying to labor market in Georgia, the Index of Pay Gender Gap (PGG) obviously shows the kinds of activities that claim more efforts for achieving gender pay equality. They are “Whole sale and retail trade”, “Manufacturing”, “Transport and communications”, “Community, social and personal service activities” etc. While “Financial intermediation” and “Electricity, gas and Water supply” are very close to gender pay equilibrium.

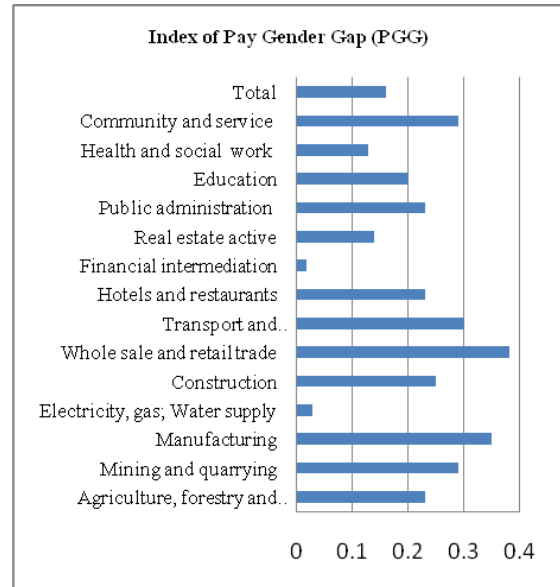


Figure 7. Index of Pay Gender Gap (PGG)

Source: Own calculations using GeoStat data

As it was mentioned before, men and women in Georgia have approximately identical educational level. In turn, it should assume that labor productivity and men’s and women’s wage level consequently should be also identical. But as our analysis has shown the reality expresses a different picture and the wages of women in Georgia fewer than men’s wages in all kinds of activity.

4. Conclusion

As the analysis of statistical data shows, despite of an adoption of statutes and policies for closing the gender gap in labor market, despite of the ongoing efforts of Georgian government to promote gender equality, there is significant employment segregation across labor market in Georgia. Despite of some specific particularities the situation on the employment sphere of Georgia doesn’t contrast sharply with that in the other countries and there are essential gender disparity on Georgian labor market which is given in the terms of differences in labor force participation and employment rate, differences in employment gender division by kind of activity, occupation, and employment status. Despite approximately identical educational level the men in Georgia have higher employment status than women as well as higher wages.

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