

Charita Jashi

Gender Economic Issues: The Case of Georgia

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"Human Development is a process of enlarging the choices of all people, not just for part of society. Such a process becomes unjust and discriminatory if most women are excluded from a benefits."

United Nations Development Program

Chapter one: Theoretical Basis of Gender Economics

Gender Equality and Tendencies of Globalization

By the end of the 20th century, the globalization process of world economics reached an entirely new stage of its development. Progress of national economics has proved to be impossible without integration into world economics. Global economics is taking shape in a world characterized by a high level of inequality from the standpoint of economic as well as political power. The most notable is gender inequality, which becomes more vivid in the context of globalization. It is not easy to draw a strict demarcation line between the overall advantages and disadvantages of globalization, yet it is doubtlessly the case that this process has already greatly influenced political and economic developments in many countries of the world.

Naturally, the following problem has emerged: how can a country benefit from the positive effects of globalization and escape its negative influences? This is a question of key importance to economically underdeveloped countries.

It is widely acknowledged that globalization is an essential indication of world developments in the 21st century and that it has already embraced almost all spheres of social life. Globalization means integration of international trade, investments and financing, as well as internationalization of production, this being a result of the restructuring of national and global economics. It has its own political, economic, social and cultural parameters.

In the course of economic globalization, essentially new relations characterized by the following features and tendencies are being formed among peoples, nations and economic systems:

- The new financial markets, service markets, the banking sector, insurance and transport systems working on the global level;
- The new actors: transnational corporations, the World Trade Organization, international law throughout the world and a large network of NGOs.
- The new norms and regulations in the market economic policy; large-scale privatization and trade liberalization;
- International conventions and documents on human rights, numerous agreements and state liabilities.

The economic process that is underway in the world, along with political as well as economic disagreement among countries has created serious new problems for world security. The formation of political and judicial mechanisms to guarantee social security on our planet is of great urgency.

The opponents of globalization, by way of various arguments and often rather convincingly, are trying to prove its negative effect in the field of economics, especially pertaining to poorer countries, but on the other hand, economic globalization may yield good results if it is directed towards establishing social equality and the improvement of the world's population.

Crucial changes that have occurred in the world lately, natural calamities and limited resources have brought about the need to effectively utilize human capital in the course of economic development, at the heart of this issue is determining the male and female labor force taking into

consideration international standards and approaches. Studies of these processes by means of gender aspects has explicitly revealed that the concentration of power based on patriarchal principles has ensured the monopolistic position of men in the government and the inferior place of women in the society.

The processes characteristic of globalization have caused the overall polarization of society in so-called transition countries. The overwhelming majority of the population grew further impoverished and only a small minority managed to get rich; this is the so called "iron" transition,* has caused complete disorder of macro-economic parameters. The transition to the market economy in the countries of the former Soviet Union also took place against a highly tumultuous economic background marked by complexities and upheaval.

Many countries were plunged into hyperinflation and in the course of decrease of production, unemployment grew at immense rates; the share of the black market in the economy was incredibly high as well. The phenomenon of poverty was firmly established in many countries and it hit women the hardest. In the countries of Eastern Europe the transition to market economics was relatively much smoother and therefore, more favorable conditions of economic development and gender equality were created there. It is very likely that the recent integration of said countries into Euro-Atlantic structures will strengthen further their democratic development.

Development of the globalization process in the countries of Eastern Europe and the CIS is connected with the construction of a new democratic civil society. Women are actively participating in the struggle for independence of their countries, as well as in building a sovereign state. Yet, despite enormous efforts spared by them, women still prove unable to occupy their rightful place up the pyramid of governance.

*The term "iron transition" is used pertaining to the CIS countries, whereas "velvet transition" is used for former Soviet Bloc countries of Eastern and Central Europe.

Research studies confirm that the transition to a market economy has even further aggravated their socioeconomic status. The implementation of market principles, liberalization of trade and privatization have brought about a total ruin of the domestic markets of those countries, which in turn has resulted in a crisis of production, increased imports of foreign-made goods, mass migration to western countries, as well as wars and numerous ethnic conflicts.

All this has conditioned the assessment of the labor skills and abilities of men and women in an international context. On the other hand, the transformational processes underway across the world influenced greatly the development of gender equality; in particular:

- As a result of neo-liberal economic policies, restructuring of various fields of economics took place, but macro-economic policy developed without considering issues of social security; all this resulted in a sharp decrease of social guarantees and the exclusion of women from the production process.
- The process of militarization intensified and for the purpose of achieving political and economic hegemony in conquering the markets, a syndrome of violence prevailed in all spheres of state politics. The first victims of these tendencies, in terms of physical violence as well as from a moral and ethical standpoint, were mostly women and children.
- According to geographical, as well as from the point of view of field traits, the traditional distribution of labor between the genders changed and gender inequality concerning the availability of resources became more striking. The conditions of labor security for women also became considerably worse.

For the sake of developing a gender economic model, priority must be given to the integration of social and economic policies. For this it is necessary to integrate the efforts of the International Monetary Fund, the World Bank and the International Trade Organization for establishing gender balance in countries where this triumvirate (the so called “three sisters”) is engaged in restructuring and economic development.*

It is well known that all the instruments of political as well as economic management of the world are concentrated in the hands of men. Along with fiscal, financial and monetary policies, the security and defense spheres, as well as all aspects of international relations are also under the control of men. Meanwhile, the overwhelming majority of women work mostly in the spheres of education, health care, culture and social life. Despite the greatest importance of said spheres, women rarely participate in making political and economic decisions. In this respect, the state approach is gender neutral, which means further strengthening of the patriarchal approaches.

The processes characteristic of globalization have considerably influenced the international movement of women and it is due to the vigorous efforts of women’s organizations that the necessity of the integration of gender parameters into the globalization process has become a top issue of the day; hence, gender development is conceived as one of the components and factors of the economic development of a democratic society.

The role of the male and female labor force has also been essentially changed by the globalization process and the market economy. Unequal conditions were created for their participation in the process of socioeconomic development of the country. Economic liberalization facilitated the movement of capital and its uninterrupted export to various other countries. Globalization has widely opened the door to the cheap

* Feminist Challenges in A Globalized Economy, Wide Bulletin, October, 2003. p. 46

female labor force, which has less professional alternative on the world labor market.

As it is known, liberalization of trade and development of export-orientated industries is mostly based on cheap female labor. Women constitute 70-90 percent of employees engaged in export production throughout the world. Based on data provided by FAO, almost 43 percent of women are engaged in food production and processing in the agricultural sphere. In developing countries, women are producers of more than half of food products consumed worldwide and therefore, consumers directly depend on female labor.

According to the data of the ILO, in developing countries, women receive less compensation than the men for the same work. At best, women's remuneration amounts to only 50-80 percent of men's wages. Women constitute more than one third of those engaged in industry: "Not a single developing country has ever achieved high rates of production without the help of women."*

In the course of globalization many fields of industry, as well as services underwent considerable revival and women, were reshuffled in large numbers through the fields of services, tourism and free trade, yet the level of income of women has not yet increased – in fact the conditions of labor security have considerably worsened. The sex industry grew into a very strong field, which brought about violence towards women and facilitated the spread of trafficking in many countries.

Unfortunately, women do not enjoy the same allowances as men; for instance, US trade agreements ignore the problems of female labor which manifests itself in the following:

- Trade agreements may include general provisions on labor rights, but in most of the cases these standards do not include any specific defense instruments for women's rights.

- Trade unions face difficulties in organization of female labor and sometimes even prove unable to ensure their security.
- The main standards of labor do not concern the most acute manifestation of women's discrimination, such as sexual abuse.*

The feminization of poverty is one of the leading tendencies characteristic of globalization which is mostly manifested in the decrease of women's accessibility to health care and education and the violation of their socioeconomic rights. Studies prove that in the course of globalization, discriminatory conditions faced by millions of women have been greatly aggravated.

Pam Rajbut, a representative of Indian Women's Organization, characterizes the process of economic globalization in the following way: "Globalization is an issue of the life and death for millions women. Instead of having the whole world as one family, we are divided - North and South, men and women. Many inequities are being created by the current economic system, with its pyramidal structure, a few at the top, millions at the bottom, and among the millions at the bottom, the majority are women."**

In conclusion, it can be decisively said that achieving the economic growth of a country will prove impossible unless the labor potential of both men and women is equally used in the material as well as non-material spheres of production. The public must well understand that taking economic or political decisions is not a prerogative of only one sex.

Despite the fact that in the past century, the conditions of women (in terms of the realization of their rights) were considerably improved,

*P. Alexander, Gender Glossary of Macro-Economic Terms, 2000, p.8

* Bama Athreya , Trade is Women's Issue. ATTAC, 2001

** Feminist Challenges in a Globalized Economy, WIDE,2003

though as for accessibility of the resources, the problem of gender inequality has become even more acute. Investments of different types, financial stocks, credits and various monetary resources, as well as jobs, high payment, education and training is still less available for women rather than for men. Such is the reality, and whether we like it or not, overcoming this problem will be the main concern of the 21st century.

From Feminism to Gender Development

Gender is an English word that originally used to denote masculine and feminine genders in grammar. Its modern meaning is rather broad and differs considerably from its semantic meaning. Social relationships between the sexes are not only conditioned by biological characteristics.

At different stages in history and in various social conditions the roles of men and women were defined by way of numerous intricate processes and therefore, defining the distinction only on the level of physiological differences would simply be wrong. The *notion* of gender emphasizes the fact that the roles of men and women in society are stipulated by social factors. Therefore, the interchange of these roles from the point of view of a more fair allocation of resources and income, as well as rights and obligations, does not at all require ignoring stereotypes and traditions existing in the society. On the contrary, it facilitates the protection of human rights and the harmonious development of society.

The quest to explain the lesser status of women brought scholars to the necessity of drawing a demarcation line between the biological sexes and the social role attached to them. There are more complex explanations to the notion of *gender*; for instance, scholars Harding and Scott base their definitions on two main assumptions: 1. Gender is created against the backdrop of social relations, which in their turn, are based on the differences between the sexes; 2. Gender is the main means of strengthening the ruling power, or in other words, it is the main sphere, in which the power manifests itself. In the first assumption, four elements are implied: a) cultural symbols, b) normative consciousness, manifested in the political, scientific and religious doctrines, c) division of employees according to their sex in political and social organizations, as well as in various institutes (such as the labor market, education etc.) and d) the subjective interpretation of each individual*.

The economist Joyce Jacobsen in his famous book *The Gender*

* Гендер на повестке дня, ПРООН, Бишкек, 1999, с 15

Economics, first published in 1994, writes the following: "The difference between men and women can be discerned from a biological point of view, as well as according to the psychological, social and cultural differences. Then what is the difference between sex and gender? Sex can be masculine and feminine, whereas gender denotes men and women."*

In the human psyche, biological sex is so closely associated with the social role of people that the latter is also comprehended as a biologically determined state. Therefore, any attempt to differentiate social roles from biological sex will certainly create controversy. Yet it is still necessary, at least to define why it happens so that some people (women) have a different social status in society as compared to others (men).

Changing biological sex is impossible, whereas the social role (or *gender*) can easily be changed. This implies the more fair distribution of the resources and income, as well a better allocation of the labor load and recreation. Thus, gender is not only a way to resolve women's problems, but a means of problem resolution for the whole of human society.

People are born as feminine or masculine and approximately from the age of 2-3 they start realizing their biological sex, which in its turn, is preconditioned by the social environment in which they happen to live. It is by this period that children develop social gender norms; they already know the positive stereotypes of their sex and subsequently, they become aware of the positive features of the opposite sex.

Thus, children, at a very early age start developing the system of stereotypes with the gender roles in view and consequently, socially different relationships between man and woman are formed. This takes place in compliance with the social norms and frames of development, which tend to change through time and space. The social roles of men

and women often overlap and therefore, the change of one role will cause a change of another and vice versa. The notion of gender enables us to see the problems of men and women within a general social context.

The concept of *gender* was formed later, on the basis of the ideas of Western feminism. The origin of feminism (from French *femine*) in the form of a movement struggling for equality between men and women is mainly associated with the French Revolution, though long before there were certain cases of persons lashing out against the stereotype of women as inferior. For instance, Cristina De Pizan* wrote 28 books in the years 1330-1429, in which she disclosed the hatred which male scholars felt towards women. British person Alan Davis found a 182-page book entitled *The Virtues of Women*, which dates back to 1630-1640 by an unknown woman writer. She pays special attention to the sub-titles: "Reasons why women are better than men," "Eve is more brilliant than Adam," "Women are wiser than men," "Eve is less sinful than Adam," etc.** The entire book is written in a similar spirit.

In 1772, Mary Wallstonecraft's *Declaration on the Rights of Men and Women* was published in France. Nobel Prize winner in the field of economics Amartya Sen,*** in his dialogue with feminist economists specially emphasized the influence the book had made on his and stated that the book preconditioned his interest in gender problems.* Later on, similar works were published in England and France, though the feminist movement became popular in various countries of Western Europe only

* Anthology of Gender Theories, Tbilisi, 2003, p.33

** Wide International Bulletin, 2002, p.5

*** Amartya Sen was born in India in 1933. He is a citizen of India and a Professor of Harvard, Cambridge, Delhi University and the London School of Economics. He was awarded the Nobel Prize in the field of economics in 1998. Sen is regarded as the foremost scholar of feminist economics and his works, concerning opportunities and freedom contain a thesis on gender equality. "Poverty and Femines," Oxford, 1984; "Women's Survival as a Development Problem," New-York, 1989; "Development and Freedom," New-York, 1999; "The Possibility of Social Choice, Democracy and Social Justice," 1999; "Gender and Cooperative Conflicts," 1990; "Gender Inequality and Theories of Justices," 1995. *Feminist Economics, Continuing the Conversation with Amartya Sen*, 2003,321

* J. Jacobsen, *Economics of Gender*, Blackwell Publishers, Cambridge, 1996, p.7

in the 19th century. In 1888, the Women's International Council was established, which demanded the increase of women's rights, as well as the right of suffrage, etc. The same objectives lay at the basis of the Women's Alliance, created in 1904, which ceased its existence during World War I.

After 1920, this movement spread across China, Turkey and other countries of Asia, where feminists intensified their efforts with a fresh vigor. Legalization of women's rights had numerous obstacles to face, yet the 20th century proved to be revolutionary in this respect. German Social-Democrat August Babel in his work: *Is the 20th Century a Women's Century?** specially emphasized the leading role of the struggle for women's emancipation in the development of society, although, as was mentioned above, discussions on this topic were rather popular many centuries before. The feminist movement consists of many different sub-groups - the most extreme interpretation of feminist principles has often inspired public indignation.

Representatives of radical feminism stress the importance of empowering women in their reproductive function and demanded a state-level approach to the discrimination of women, whereas the adherents of liberal feminism put the main accent on increasing women's role in society as well as on socioeconomic problems.

Feminism developed in a very specific way in the Soviet Union, where the women's movement was labeled "women's issues." Women's committees were established at various levels and laws legitimizing the equality of the sexes were issued; equal opportunities for getting education were ensured and the professional work of women became highly motivated. Women's participation in the socialist society was determined by three factors: labor, the social-political life of the country and the family.

In order to give incentives to women for participation in all the mentioned spheres, the state tried to create a friendly legal and economic

* Бебель А., 20-ый век – век женщин? Культура, М., ИЦНЖФ, 1997, с. 62-67

environment by means of extending assistance to mothers, implementing long-term maternity leave, child care, the right to abortion, etc. The women's share of the labor force was considerably higher in the countries of Eastern Europe compared to that of Western Europe, although women's support in times socialism still wouldn't guarantee *de facto* gender equality.

The idea of considerable improvement of women's conditions and the assertion that equal opportunities had been ensured for both sexes was widespread in society, though it should be noted that there was still much to do in order to achieve real equality. Gender theory has explicitly broadened the narrow frames of the feminist approach and along with the women's issues put forward the problem of the relationship between the sexes as well, putting an accent on the questions of sexes and authoritative power.

Nowadays, when the concept of gender which developed in the West is entering into our reality too, the overwhelming majority of people are trying to perceive it automatically as just "women's issues." Therefore, overcoming this stereotype has become the issue of the day; it must be emphasized that gender problems should not be regarded the same way as physiological relations between the sexes or as the distribution of their roles in the process of reproduction of the population. The entire culture, the public order, the state institutions, the methods of decision-making and the mode of thinking (mentality) are all saturated by gender relations and it is just due to the unity of these approaches that gender is different from "feminist" or the "women's issues."

According to the opinion of gender scholars, it is necessary to **change** the world with the ideals of social justice and harmonization in view.

As has already been mentioned, the gender role, which otherwise can be called as "social sex," tends to change according to the specific social environment. Therefore, the myth of the indispensability of men and women, being a dominant one in the present-day reality, derives from a mentality formed over the course of the centuries.

Programs of women's development underwent significant changes in the years 1970-1980; they were titled "Gender and Development" and the feminist approaches were transformed in their contents. A special emphasis was put on gender inequity from the standpoint of uneven distribution of labor and male domination of processes of political and economic development of the country. It should also be noted that the women's movement has acquired state-level importance in many countries due to the efforts contributed by numerous international organizations.

Since the 1980s, in the debates related to women's problems, the term "feminist" was changed into the notion of "gender." Feminists were accused of demanding women's integration only in political and state institutions and that they were not willing to discuss the relations which had formed between men and women in the process of distribution of authoritative power.

As a result of neo-liberal politics, the broadening of market relations has been going on since the 1990s. Inherently gender-biased global market forces are directed toward strengthening men's position in these developments.

According to neo-classical economic theory, many aspects of women's labor are invisible and do not contain any economic value. Indian feminist Camla Brasin points out that nowadays, the patriarchal and masculine empowerment is undergoing a certain revival, in the course of which patriarchal violence, instead of decreasing, has been greatly encouraged to grow forth.* Recently, on the local, as well as international level, the problems of gender and feminism have been discussed in the context of the socioeconomic problems of country.

As a result of a significant breakthrough in the development of the women's movement, together with the issue of protection of women's rights, some other problems also became the issue of the day, such as violence against women, gender discrimination on the labor market, the feminization of poverty, etc.

*Discussing Women's Empowerment, Theory and Practice, SIDA Studies, p.183

A new stage of gender development began in the 1990s. A world conference was held in Vienna that promoted not only the problems of protection of human rights, but also emphasized the necessity of increasing the rate of women's participation in the decision making process on economic and political issues.

This event was followed by the International Conference dedicated to issues concerning Population and Development in Cairo in 1994. The topic of the conference was addressing needs of population, strengthening women rights, providing a diverse array of choices for women by way of broadening accessibility to education and healthcare services, as well as through assisting women in professional occupations and in acquiring proper skills for work*

The commitments of the 1995 World Social Summit on Development held in Copenhagen included the creation of a economic, political, social, cultural and legal environment that enables people to achieve social development goals and equality between women and men. Finally, the UN World Conference on Women's Issues was held in Beijing, 1995, which was dedicated to increasing women's participation in the socioeconomic processes underway in the respective countries.

The Conference adopted an action plan, the **Beijing Plan of Action**, which has become the main international strategy of achieving gender equality worldwide. The process of designing gender institutional mechanisms and their functioning is characterized by a number of different features in various countries, although the basic principle is similar everywhere: gender projected state policy should be fitted in such an institutional frame that would ensure equal participation of men and women in the decision-making process of political as well as economic issues of a country.**

* Key Actions For the Further Implementation of the programme of action of the International Conference of Population and Development, UNFPA 2004,

** Platform For Action and Beijing Declaration UN, New-York, 1996

At the Beijing Conference, special emphasis was put on the necessity to envisage a gender approach in the aspect of economic activity, particularly to:

- Put forward economic and social rights of men and women at their work places and implementation of the principle of equal opportunity; a shift from de jure to de facto.
- Create broader opportunities for men and women for the purpose of letting them work in dignified conditions and providing them with sustainable income; increase the level of life and achieve social development by way of social and economic integration.
- Increase effective social protection and firmly ensure the socioeconomic security of everyone,
- Encourage social dialogue in order to provide equal participation of men and women in it; the economic and political changes in various countries precondition the changes of gender roles in that society

From a social standpoint, gender roles are of conflicting character: men as well as women participate in the reproductive, economic and social work within social or political groups. This participation is manifested in the gender distribution of labor existing in the country, which in its turn defines the status of men and women in the society.

Therefore, a decisive role has been attributed to the gender analysis of participation of the individuals in social life. Gender analysis represents an instrument of diagnostics for distinguishing men and women; it reveals the activities of concrete individuals, as well as “the situation pertaining to their demands, use of the resources, control and participation in the political and socioeconomic process.

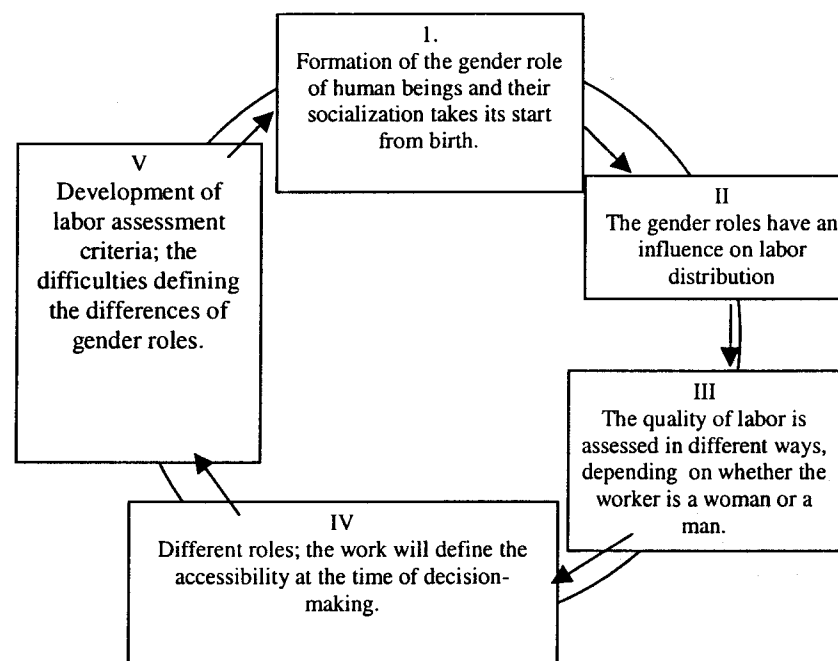
Gender roles define the model of labor distribution in the family, as well as outside of it. They also denote the place of men and women in

the economic process, their different accessibility and ultimately, the status of men and women in the society.

The gender role defines the model of labor distribution in the family, as well as outside of it. It also denotes the place of men and women in the economic process, their different accessibility and on a long run, the status of men and women in the society.

The given schema shows the stages of developing gender role and the influence the gender role may have on the process of labor distribution.*

Chart: #1



* Гендер на повестке дня, ПРООН, Бишкек, 1999, с 62

Gender Economics in the Context of Economic Development

In all countries, economic relations greatly favor men, though the potential of men and women in terms of optimum utilization of economic resources is equally important. In other words, women can perform so-called “men’s work” equally as well as men and vice versa, men can also perform what is traditionally known as purely “women’s work.” The notion of “men’s” and “women’s” work is fundamentally wrong and unscientific, with the exception of certain professions that depend on biological roles.

Economic activity can be any kind of work performed by men and women, for which they get remuneration (wages). It implies the production of goods and services. Both men and women are involved in economic activities but in most cases their functions and responsibilities differ in terms of labor distribution.

The productive work done by women is often less noticeable and less valued than analogous work performed by men. Therefore, industrial and economic functions define the social status of an individual as well.

The question: “Where do you work?” as a rule, refers to one’s professional activities. Reproductive activities, management of household matters and taking care of family members are no less (and perhaps even more) important and hard work, yet it has always been considered as solely the function of women. Therefore, it is often neglected and very rarely regarded as real work. Because of this, all reproductive work is carried out by women and men consider it a second rate occupation.

The public activity or social role of an individual preconditions the participation of men and women in social life (involvement in the work of public organizations, self-education, cultural-educational events etc). Unfortunately, while carrying out an analysis of social units, this kind of occupation is rarely taken into consideration, notwithstanding the fact that this work is also time-consuming.

The gender distribution of work prevails in this sphere as well. The question is: “What does gender economics discuss?” It deals with the socioeconomic status of men and women and defines the differences of empowerment of the sexes, which is strengthened by traditional gender roles and relations in human society.

Gender economic analysis implies the study of such economic factors from a gender perspective; these are: utilization of resources and their control, employment on the labor market, allocation of income and welfare, realization of property rights, management of finances etc. Institutional, social, political, demographic and geographical factors should also be taken into consideration, for they are of paramount importance while developing macro-economic strategies.

In Joyce Jacobson’s book: *The Economics of Gender*, which is considered a textbook in this sphere, the following issues are discussed:

- Main patterns and debates concerning economic gender differences
- Labour force participation of both sexes: causes and effects
- Comparative analyze gender differences across societies
- Analysis of economic policy, concerning both sexes;*

The main objective of gender economics is to reveal the economic differences between men and women and discover the reasons of such differences. Gender analysis is based mostly on three methodological directions:

- Neo-classical trends;

*J. Jacobsen, *Economics of Gender*, Blackwell Publishers, Cambridge, 1998, p. X-XI

- Directions of Marx's political economy and the associated trends of neo-Marxist, radical and socialist feminism.
- The direction of institutional economics.

All the three directions define gender issues through their own interpretation. The neo-classical trend reviews the economics of households by way of gender parameters, such as: the distribution of labor among household members, the conditions of making decisions on entering the labor market and gender segregation on the labor market; it also undertakes an analysis of marriage contracts and reproductive acts.

For socialist feminism and the related directions of Marxism and neo-Marxism, the analysis of forms and methods of exploitation of women in families is the first priority. The study of the factors that lead to gender inequality, as well as defining the interrelationship of the capitalist system and patriarchal approaches is also of key importance.

Institutional economics is a considerably new direction, which mostly studies the role of the state in regulating gender relations, the importance of social politics in achieving gender equality and so on. Gender aspects were totally neglected and even not discussed at all in neoclassical theory before the 1960s*.

In the research field of economics, Garry Becker**, from the point of view of neo-liberal theories, conducted studies of the conceptual approaches to gender economics, such as: distribution of labor in a family, making unanimous decisions on sending out a family member to the labor market, reproductive behavior etc.

* L.Cornet Women, men and Economics UNFEM,1996,Мезенцева Е. Гендерная экономика: обзор теоретических подходов, Москва. 2000

** Becker G.S. was born in 1933. He is a professor at Stanford, Columbia and Chicago Universities. He was awarded the Nobel Prize in the field of economics in 1994. His works: *A Theory of the allocation Time*, 1965, *The Economic Journal* vol.80 Harvard , *A Treatise on the Family*, Cambridge, Harvard University press,1981, *Human Capital, Effort, and Sexual Division of Labor*/Journal of Labor Economics,1985,v.3, *The Economics of Discrimination*, Chicago,1971

Gender aspects are not sufficiently represented in the institutional direction. Institutions have dealt with this problem only since the 1980's. They were greatly influenced by Becker's *A New Theory of the Household* in which Becker devotes great attention to the structure of the family. The family is reviewed as a very special institution that is to provide appropriate stability in order to facilitate a necessary environment for rearing children. Marriage is viewed as a contract highly dependent on legal status and state policy.

Professor Lauren Corner indicates that gender is a necessary provision for the development of society and that it can change the level of economic development of the country. Despite its great economic significance, the interest of economists and politicians in gender issues is quite insufficient, which in its turn, will have a negative impact on the economic development of a country.*

Inadequate assessment of a woman's contribution to social life will necessarily be reflected on her status too. As it is well known, the labor of an individual will only be economically valued, if his/her work product has a market value. Therefore, the inadequate evaluation of women's labor and the unfavorable working conditions has considerably hindered the effectiveness of her productive work in the society. According to E. Hansen, an American economist, if we thoroughly capsule the amount of gross domestic product, we'll discover that in more than half of cases it is being produced by women.

As has already been mentioned, the status of women in the society and their socioeconomic conditions are mostly defined by their economic activity. Due to the incorrectly formulated public mentality and because of the existing socioeconomic inequality, the intellectual, creative and enterprising potential of the overwhelming majority of women is not adequately realized, which in turn hinders the development of society as a whole.

* L.Cornet, Women, Men and Economics, The Gender-Differentiated Impact of Macroeconomics, UNIFEM, 1996 p.18

The interpretation of the term "economic independence" is different according to whether the subject in question is a man or a woman. A woman who works and manages to earn a sustainable living, is considered to be economically independent, whereas a man can be counted economically independent if he owns a private financial basis and is not only toiling for food.

A similar interpretation of the term is given in the publication edited by the Ministry of Labor of Sweden, entitled *Power, Economics and Gender*. *

The crucial importance of women's participation in economic processes is explicitly conveyed by American economist Esther Boserup in her book *Women's Role in Economic Development*. As it is clear from this work, women's role in economic development has always been ignored and as a result of this, the prospects of development have been blocked. Therefore, the main objective lies in effective integration of women in the process of economic development.**

Thus, the process of harmonization of gender relations is an essential part of democratization, which makes the process of economic development unimaginable without gender equality.

Improvement of gender relations and change of the roles of men and women in society is significantly dependant on their economic status. Increasing the economic role of women will enable them to acquire a higher degree of independence and higher status in economic developments, which in its turn, will condition their success in enterprising activities. Of course, the increase of economic activities of women should be accompanied by functionally adequate protection mechanisms, which is the prerogative of the state.

The role of the state becomes especially important for providing macro-economic stability and this in its turn will facilitate the increase

* Power, Economy and Gender, Ministry of Labor, 2000, p.7

** E. Boserup ., *Women's Role in Economic Development*, New-York, 1970

of human potential, as well as stimulate economic activity; it will also lead to the creation of new jobs and development of infrastructure.

The latter is particularly significant in order to increase the economic activity and make them a stronger competing force in the economy.

The true indicators of economic success are not only income or money, but also the time budget that manages human resources. Two persons may have similar income, but different opportunities for utilizing their time, which will have a direct impact on their socioeconomic status.

Table 1*

Allocation of time budget (in percentage) according to different activities of men and women, weekly, 1985.

Time-table

	Woman	Man
Personal care	44	44
Free time	23	24
Unpaid work	13	23
Keeping the house	12	5
Buying the products	4	3
Taking care of the children	4	1

The time-table given in Jacobson's text-book proves to be very interesting, because it shows that the free time both men and women have at their disposal is almost equal in amount. Yet women allocate much less time for economic activities, or for paid work. They spend a considerable period of their time budget on non-industrial work, no matter whether they like that activity or not.*

* J. Jacobsen, *Economics of Gender*, 1998, p.7

Jacobsen points out the disproportion that exists in relation to men's and women's time budgets even in countries with high economic potential, like Great Britain. He indicates that there are certain regularities: the more a society is developed, i.e. the higher the standard of living of the population, the lower the difference in how men and women spend their time. The development of high technologies and the advanced level of social infrastructure facilitate the allocation of more free time in favor of women. Consequently, they can use this time for improving their professional skills, which will have a positive impact on their socioeconomic status.

Table: 2

Allocation of the time-budget (in percentage) in various countries, related to different occupations of men and women, during one week period (100 percent equals to 168 hours)*

Men				
	USA	Japan	Sweden	Netherlands
Paid work	26	31	24	19
Unpaid work	8	2	11	8
Personal care	41	43	42	42,5
Leisure	25	24	23	30,5
Total time	100	100	100	100

Women				
	USA	Japan	Sweden	Netherlands
Paid work	14	15	14	5
Unpaid work	18	18	19	21
Personal care	43	43	44	44
Leisure	25	24	23	30
Total time	100	100	100	100

* M. Bryun-Hundt, *The Economics of Unpaid Work*, Amsterdam, 1996, p.15

** Women in Transition, UNCEF 2000, Tbilisi, page40

If we judge according to the above table, in Japan and in Sweden women spend 33 percent of their time-budget on economic activities or paid work, whereas in Netherlands, this indicator is much lower. A women economist from Netherlands, Marga Bruyn-Hundt, in her book *The Economics of Unpaid Work*, which is based on a case-study of 31 countries of the world, writes the following: "In developed countries, approximately 2/3 of men and 1/3 of women are engaged in economic activity (i.e. paid work); therefore, men's contribution from the point of view of income, is very important, but women's input is unimportant and not valued... Yet if it were accurately reflected in national statistics, women's work would completely ruin the myth about men being the only breadwinners."*

In less developed countries, in conditions of insufficiently organized social structure, women suffer from an acute lack of time. In the countries of Central and Eastern Europe the complete work load for women amounts to 70 hours, which is 15 hours more than in the countries of Western Europe.**

Garry Becker created his "Basis for the new economic theory" on household activities, which in other words, is often called the "economics of care." The term "economics of care" represents the work which is undertaken produce to food and other goods in order to sustain the family, as well as services to the family members. It is unpaid work and the time spent on performing household work comes in correlation with the level of employment of the family members on the labor market, as well as with the structure of the family itself.

Scholar Ann Shelton indicates that the limitation of time is connected with the level of employment of the family-members, the number of children and the status of the family members, all of which precondition the role of women in society.*** The volume of household work is highly dependant on the activities and the professional status of

* M. Bryun-Hundt, *The Economics of Unpaid Work*, Amsterdam, 1996, p.15

** Women in Transition, UNCEF 2000, Tbilisi, page 40

*** A. Shelton , *Women, Men and Time, Gender Differences in Paid work, Housework and Leisure*, p. 9

men and women outside the family. Shelton points out that the more resources are in the possession of men or women ("resources" implies their education, wages and professional status), the less amount of time they will spend on household work. Men, in most cases, are engaged in non-family work.

G. Becker in his work: *A Theory of the Allocation of Time* discusses the theory of correlation of resources. According to his assertions, the choice of household work or a professional activity depends on what amount of money a man or a woman may earn outside the family, and what amount of expenditures the family has to allocate if said work is performed by a hired labor force.*

Naturally, the more professional and educated a hired employee is, the more his/her labor will cost. Becker's *A New Theory of the Household* discusses the family not as a passive consumer of goods or the services, but as a producer of valuable consumer goods.

According to his idea, the family members, using the production factors, market commodities, the time of the family members etc., produce the final product, which will be used together with the basic consumer values. For instance, by buying a washing machine, the family plans to create a consumer good, like clean linens, in this case. Becker describes cases where a household can get one and the same kind of goods through different technologies. For instance, by way of hand washing, through hiring a washer or using a Laundromat. The family makes a choice in compliance with their income versus the price of the services.

The essential point of Becker's theoretic model is economic rationalization, which has no direct links with gender, although, according to him, because women have less education and professional skills, they will mostly be occupied with household matters. On the other hand, the

present day high level of women's education and professional skills gives them an extra stimulus in order not to be too involved in household work.

The traditional gender model of labor allocation is gradually changing, because in large part, men are no longer able to financially sustain the family alone. Women also contribute to the family budget and thus the functional roles of both sexes change, which can often be a painful process for both.

* G. Becker, "A Theory of the allocation Time", The Economic Journal vol. 80, Harvard, p 15

Gender Aspects of Economic Policy

Any support for the realization of a person's capacities will in large part precondition their well-being and reflect the results of the alternative choice of the activities of men and women. Equality of opportunities is defined by the principle of social justice. The realization of the capacities of human-beings will prove impossible if they are restricted in their choice, which means that they will suffer from a deficit of different goods, or inaccessibility to health care and education, all of which result in social alienation.

Until very recently, problems of social injustice have not been discussed in a macroeconomic context. The promotion of the topic of human development has made the problem of gender equality more actual, this becoming one of the most important factors of implementing democratization and social justice in the country. Despite the fact that gender issues are not directly represented in the context of macroeconomic policies, they still have a great influence upon them. The main objective of gender macroeconomic policy lies in the optimum utilization of all the resources existing in the country, or in other words, it aspires to accomplish social justice and gender equality.

There is a correlative relationship between freedom and well-being. People have different opportunities according to their gender. Amartya Sen, in his works, specially emphasizes the difference, which, from a gender standpoint, exists between the realization of the opportunities and free development.

The development of freedom necessarily implies the equal increase of social, economic and political values of both sexes. Amartya Sen thinks that working outside the family is a certain expression of freedom. Payment for a job executed is the basis for personal independence and has a great influence on the socioeconomic status of women, but on the other hand, economic labor creates certain problems too. A woman's responsibility for the family does not decrease and the triple workload

causes a deficit of time; in addition, her income is systematically controlled.*

As it has already been mentioned, the globalization process aggravates this relationship even more. "Woman is a cheap labor force. She creates goods which are controlled by men and afterwards placed on the market for sale. Gender equality is a constituent part of social justice; women are attributed a second-class status."** The reason for this is the uneven distribution of political and economic power between the sexes, which in its turn is preconditioned by their socioeconomic status in society. Clearly, the power on the political and socioeconomic arena explicitly reveals the gross lack of gender equality in society. The imbalance in empowerment ensures the inferior status of women on almost all levels of social life.

In 1994, the Ministry of Labor of Sweden issued a publication "Power, Economics and Gender," in which gender inequality existing in the sphere of economics is clearly indicated.

The following facts are cited: In 58 private companies, there are no women among the managers. 99.6 percent of the stock exchange is male; high positions in their career were reached by 44 percent of male economists, whereas only 5 percent of women economists have achieved the same.***

Economic power, as a rule, is only associated with men. The leaders in the fields of trade and industry are always men and therefore, only they have an opportunity to participate in the decision-making process. It's natural that economic power is determined by the possession of resources and the power to exert control over them.

* A.Sen. Development and Freedom, 1999, New-York, The possibility of Social Choice, Democracy and Social justice, 1999,

** Feminist Economics, volume 9, 2003, p. 34,

*** Power, Economy, Swedish Labor Ministry, 2000, p. 45

According to Amartya Sen's idea, the allocation of power can ultimately be considered an indicator of evaluating gender equality. In his opinion, power is the main factor in the development of the so-called "conflict of cooperation," whether within the scope of a family or on the society level.

As for the correlation of interests, it also has a certain influence on decision-making in a family.*

Gender inequality is a result of social, economic and political developments. As mentioned above, it mostly shows itself against the background of economic relations. Lack or absence of private property, limited access to qualified jobs, work in the informal sector and lower incomes have a great impact on the general well-being of individuals.

The question is: "How do we resolve the problems of gender inequality in current conditions?"

It is well known that there exist three ways of resolving any socioeconomic problem: economic advancement, activating institutional mechanisms and implementing well thought out social policy.

As has been said above, sustainable economic growth is the main provision for decreasing gender inequality.

Economic growth lies at the basis of gender equality, yet it is not sufficient to achieve the desired effect. To accomplish this goal, alongside with the proper political environment to overcome existing discrimination, it is necessary that the relevant institutional mechanisms be put in place as well, which in their turn will provide equal rights and opportunities for men as well women.

The activities of state institutions and state social policy will ensure the decrease of gender inequality in accordance with the pace of economic growth only if they aim at:

- Stimulating the demand for work, creating new jobs and creating incentives for economic growth;
- Increasing state subsidies for financing the education and health care spheres;
- Utilizing social factors aimed at broadening the scope of women's participation in the paid sector and preventing all kinds of gender discrimination on the labor market;
- Restructuring institutional mechanisms targeted at making property rights and other resources accessible to women.

The state is attributed a major role in increasing well-being of men and women and overcoming gender inequality and it is the state that must allocate considerable social and financial resources for the improvement of women's conditions.

A country's social policy should be dynamic and in tune with economic conditions. It should focus on one of the major functions of the state - to "manage the strong and protect the vulnerable"* State social policy will have to compensate for the market's failure to provide gender equality. This is the policy that is empowered to equalize the opportunities of men and women if resources are allocated in investments that can yield considerable social rewards.

For countries of low and average income, like Georgia/ investments made in the education of women are of paramount importance; likewise significant is professional education, because it increases the chances of finding jobs in highly paid economic spheres and significantly strengthens the positive impact of various state investments in the health care sector, in regulating demographic processes as well as in the development of social infrastructure.

* A. Sen, Gender Inequality and Theories of Justice, 1995, p. 6

* D. Vekua, Reorganization of Social Policy System of Georgia, Tbilisi, 2003, p. 9

Other directions of state social policy are associated with the occupation of women in the family. Women's work in the family is based on social traditions and norms. Said norms exercise great influence on the allocation of work among household members even in developed countries, where the service infrastructure creates relatively favorable conditions for women. Women's appearance on the labor market greatly depends on whether or not they manage to free themselves from family routine work. A well thought out state policy may influence the allocation of labor within the household and if so, it will decrease the rate of women's occupation in unpaid activities.

The absence of the relevant data and research methods makes it difficult to evaluate the effectiveness of state expenditures designed for education and health care services extended to men and women. Nevertheless, these kinds of evaluations continue to be made.

According to different demographic groups, one of the methods of evaluating the funds spent by the state on education is based on comparison of the state subsidy allocated for one individual versus the level of utilization of the given type of social service. Said method is based on two types of information: first are state social expenditures. The social expenditures of every country are used for calculating the subsidies allocated per capita; the second is research of household production, which gives information, for instance, on the amount of expenditures on education, spent according to type, gender and age.

The assessment of gender inequality in health care is a more complex process than in the field of education. There are two reasons for this: the first is the existing difference between the respective demands for medical care of men and women; for the purpose of defining the demands of this type of services, statistical information alone is not sufficient at all. It should be assumed, that the funds allocated to women for medical care will be directed towards protecting health of women and children, as well as immunization, etc.

And finally, for providing gender equality, programs specially focused on women's problems are needed. Their necessity is

preconditioned by the following circumstances: on one hand, women constitute a majority of poor people, and as it is well known, social protection of a certain category of the population is an effective method of combating poverty. On the other hand, programmed investments yield good effect where the gender difference is rather high.

Despite the fact that the spending of the state funds on social services and infrastructure is carried out on a gender-neutral basis, in fact, men and women make use of these funds in different ways. This difference often facilitates gender inequality in the control and distribution of resources. State policy can prevent this by means of correct allocation of state subsidies among the economic sectors, as well as within the social sphere itself. Furthermore, the state has to actively support those services and infrastructure institutions from which the highest social payback is expected and the goods produced in those spheres, in the long run, will be used by women and children.

The state social strategy, in terms of reducing gender inequality, must undertake the improvement of legal and regulating norms, which in their turn will facilitate the formation of equal opportunities from a gender standpoint; it will also help ensure macroeconomic incentives and the allocation of state funds in such a way that it yields maximum social payback. For the purpose of decreasing gender inequality, targeted investments must be also allocated on the macro level.

Gender policy will never be effective unless the participation of all the interested parties is assured. This kind of strategy, in conditions of severe budgetary restrictions, will always envisage a number of competitive requirements. Therefore, one of the main provisions of its realization is the unanimity of women and establishment of the relevant structures for protecting their own interests.

The government of Georgia embarked on reforming the social assistance system. The reform is fully consistent with the key principles of social assistance programs outlined in the EDPRP. The centerpiece of the reform is to improve the social- economic status of the population through extreme poverty alleviation.

The major priorities of EDPRP of Georgia are :

- To establish social, economic and political mechanisms that will secure an effective environment to mobilize all the force in society.
- To ensure universal well-being of population based on economic development and social equality.
- To improve public healthcare system
- To provide effective educational level of the society and ensure its compliance with the need for a qualified work force.
- To set up a system of social security

“Any member of society may find himself/herself under certain social risk. As a result there is danger of welfare deterioration and a loss of social status. Certain individuals and households have probability of such risks. These are the vulnerable groups in society.” *

To integrate social policies with macro-economic policies have a social content as they are enacted within a certain set of distributive relations and institutional structure. All macroeconomic policies produce a variety of social outcome. The “soundness” of macroeconomic policies would be judged not only by financial criteria or growth per se, but in terms of whether they ultimately succeed in achieving social justice.**

*Economic Development and Poverty Reduction Program of Georgia, 2003, Tbilisi, p. 103, Poverty issue paramount importance for Georgia and gender factor affecting the poverty risk will be analyzed separately. (The author's note)

** Budgets As if People Mattered / Democratization Macroeconomic Policies, UNDP, 2000, p. 10

Gender Analysis of the Labor Market

According to egalitarian theory and that of liberal economics, accessibility of jobs (employment) is one of the most important guarantees for achieving gender equality. Piorella Paci, a World Bank expert on gender issues, indicates correctly that said problem has only recently become a topic of discussion, but gender inequality is still dominant in the economic activities of many countries of the world.*

“Economically active population” implies the part of the able-bodied population contributing labor to the field of services, as well as by way of producing goods. The economic activity of men and women is different and traditionally depends on the economic potential of the country. At different stages of the development of society, the roles of men and women tend to change. Historically, growth in the rate of women's economic activity is associated with the increase of employment in the field of services and industrial production. The question is: “What are the factors determining the high activity of the sexes and what are the peculiarities of the gender structure of employment?”

It is well known that economic motivation serves as the indicator of economic activity of men on the labor market, whereas the economic activity of women is mostly determined by social-demographic factors. The mission of a man as breadwinner determines the necessity of men's economic activity.

The main stimulating feature of this is the high level of income, by way of which men are able to ensure the well-being of their families. It is not associated with the responsibilities and liabilities men may have before the family. The economic activity of women, on the other hand, determines their social status and comes second after reproductive functions. The thesis that rearing children, family matters and other household tasks are of the first priority to women is still quite prevalent even today.

* Piorella Paci, Gender in Transition, World Bank, 2002, p. 23

The salary rewarded for performing a certain economic activity or the income determines the level of material welfare of individuals, groups of people and society as a whole. But economic might, on the other hand, defines the potential of human development. Income rates often reflect the effectiveness of the economic payback of human capital, but the economic inequality of men and women on the labor market is determined by their unequal relationship.

Why is there a big difference in the income of men and women in economically developed countries, as well as in the countries with transitional economics? It seems that legally, there is a basis for equal utilization of the capacities of men and women, but stereotypes still pervasive in society, patriarchal politics and other objective factors condition the great difference existing between the sexes in the allocation of income.

We would like draw your attention to the said objective factors and the regularities. The first important factor is gender segregation, which, according to different professions, is manifested in the asymmetric allocation of labor between men and women. The gender segregation of employment is of the following character: horizontal, inter-disciplinary and vertical. The basis of difference does not lie in the gender factor of the labor force but is caused by disciplinary or professional and vertical segregation. Horizontal segregation is mostly represented in professional groups, but the vertical is manifested in similar professional groups, according to the position of the employee.

It should also be noted that the choice of profession by men or women is determined by gender segregation in similar way. The traditions, public mentality and the level of socioeconomic development of a country acquire a special meaning, which afterwards, greatly influences the mode of rearing girls and boys from early childhood.

Specific orientation in education and the choice of profession is formed according to the gender difference, which subsequently will define the accessibility of a professional occupation. It is because of this that

there is a larger concentration of women in the fields of health care, education, logistics, culture and arts.

Women are also dominant in the service industry, where they account for over 60 percent of persons employed. In many countries, the broadening of this sphere has brought about a large influx of female labor onto the labor market and the increase of demand on such labor has strengthened segregation.

Hoeleen Heyzer, Chairman of the UNFEM in her highly interesting book *Gender Economic Growth and Poverty**, indicates that women's labor is dominant mostly in the agricultural and non-formal sectors, i.e. in the spheres where the indicators of economic growth are rather low. But even in those spheres of production and services, where the development rate is comparatively high and the tendency of economic growth is quite explicit, women are mostly engaged in unskilled work and consequently, their income is rather low.

The evolution of women's employment coincides with the development of the so-called women's disciplines:

- In the 19th century, the development of the textile industry attracted a huge amount of women to the manufacturing sector.
- In the 1920's, women's employment in the health care system became very popular.
- In the 1930's, during the world economic crisis, many women were ousted from the production process, yet in the wool and textile industry, the mass participation of women was still highly practiced.

* N. Heyzer, *Gender Economic Growth and Poverty*, Introduction: Market, State and Gender Equality New-Delhi, 1994, p.21

- After World War II, a vast majority of women were employed in the spheres of education, health care and culture; their participation rate in the textile industry also increased.
- Since the 1960's, the reshuffling of a large contingent of women in the spheres of services, trade and dining establishments.

The growth of women's economic activity is accompanied by their involvement in the governance of the country, although this participation has a more horizontal rather than vertical direction. Women are participating in the lower circles of governance, but while ascending the hierarchical ladder, their number tends to decrease; this tendency can be observed worldwide.

Secondary employment, which gives the opportunity for extra income, is more available for men than for women. It should also be noted that the average indicators of wages do not always reflect the true picture of gender discrimination. German scholar Christina Klenner thinks that there are three important factors, which from a gender standpoint bring about irregular income:

1. Specific gender distribution: A threefold workload - job, family and society. Despite the fact that an increase in the number of women on the labor market is noticeable worldwide, they still have very little opportunity for promotion.
2. Gender distribution at the labor market: men and women experience horizontal segregation at the labor market. The fields of production, where women are dominating in number, are less paid and less prestigious; they are mostly employed in the sphere of services.

3. Inflexibility of the state policies, when there are no facilitating factors for creating the basis for labor legislation, improving the social

infrastructure and providing professional education.*

The trivial saying about "women's work being confined to reproductive functions, work in various companies and corporations is only a man's realm" is popular even today (we discussed this issue in the previous chapter).

The model of feminist behavior, which takes its shape from early childhood, then tends to be very influential while choosing a profession. The model of a women's behavior coincides with its twofold and sometimes even threefold role in society. First of all she has to perform her primary function, which is bringing forth the next generation; next come the functions of keeping the family and then economic functions.

Economically active women have always tried to choose a profession that would fit the model of her feminist behavior. These professions are: physician, teacher, the service industry, the textile industry, lower levels of administrative activities, interpreters/translators, secretaries, assistants etc.

A review of the situation in the immediate past shows that the form of employment in the Soviet system was almost total and was marked by professional gender segregation, though there were some exceptions when illusory gender equality was created, which consequently, enhanced this process. For instance: a cosmonaut, a mechanic, a woman geologist etc.

It was compulsory for the whole adult population to work. Women, if they were not housewives, had to work in social sphere and those, who did not work were labeled "loafers" and "parasites" and punished in compliance with existing legislation.

This approach became particularly popular in the years 1970-1985, when all the able-bodied part of the population was totally involved in the economic activity of the country.

*Women and Economy, materials of the Conference "Women and Democracy," Tallinn, Estonia, 2000, p.49

This was supported by the Soviet system of social protection. The economic activity of women aged 40-45 in age reached 97 percent in 1989, compared to a rate of 71 percent in Northern Europe and 37 percent in Southern Europe. More intensive economic activity facilitated a higher rate of equality in acquiring education, this creating better conditions for career advancement.*

At this point, it would be proper to recall the approach of M. Gorbachev, the renowned "Leader of Perestroika." In his mind, total employment did not envisage the demands and requirements of women and only "Perestroika would offer them the opportunity to choose either the family or work according to their own will." In our opinion, this alternative failed to foresee that without active participation of the women's labor force, the future economic development of the country would be unimaginable. **

The following traits are characteristic to the modern labor market:

- Gender segregation;
- Low compatibility of women's labor in the labor market, determined by their limited time budget and lack of chances for professional advancement;
- Women are a dominating body in the less subsidized fields;
- Women represent less than a half of the labor force, whereas their income amounts to only one tenth of the world's income;
- Women own only one one-hundredth of the world's total private property***

* The Labor Market in Georgia, Tbilisi, UNDP, 2002, p. 15

**Women in Transition, UNICEF, 1999, p. 39

***Maria Williams. Women in Labor Market, Wide, Brussels, 2000. p. 54

As mentioned in the previous chapter, the women's movement started with their struggle for the right to vote, but in such democratic countries as France, England and USA, women were granted suffrage only in the 1920's.

The United Nations Organization was created in 1945 and adopted the Declaration on Human Rights in 1948. Later on, in 1952, conventions targeted at economic and social rights, as well as the issues of discrimination of women were developed.

The Pact on Economic, Social and Cultural Rights, to which Georgia acceded in 1994, recognizes the equality of men and women and alongside with the rights on fair and beneficial conditions of labor, it also recognizes rights connected to the social protection of the population and of the family, the standard of living, etc.

The Convention on the Elimination of All Forms of Discrimination of Women /CEDAW/ was developed in 1979 and Georgia signed on in 1994. Georgia presented the first state report in 1998.

CEDAW is the most important international document associated with women's rights and not only demands a formal legal priority between men and women, but obliges the state to grant women real opportunities to utilize said rights.

The CEDAW contains 16 articles of essential importance, concerning equal rights for women in the spheres of politics, education, health care, social development, economic life, employment, family and matrimonial matters etc.

In Georgia's Labor Code issues of women's labor relations are discussed in the context of the labor conditions of mothers employed in various enterprises and organizations, as well as of mothers either nursing or with babies at home. The Labor Code specifically prohibits discrimination against women who are pregnant or have infants, and against single mothers with children under the age of 14. It also forbids

the dismissal of pregnant women, women with children under the age of three, and single mothers with children under the age of 14. If a woman's employment contract expires under such circumstances, the employer must provide her with a job for the relevant period. The law imposes sanctions for violations, including fines and imprisonment.*

The Labor Code is mostly focused on the issues of protection of mothers and babies, rather than on the protection of women's labor rights in general.**

* Labor Code of Georgia, Article 164: "It is impermissible to fire pregnant women, women with children under three years old, single mothers with children under the age of fourteen, or sixteen if the child is disabled, except in the case of the full liquidation of the organization, enterprise or institution. Dismissal is permitted only if another job is provided. An employer is obliged to provide a position to a woman should the term of her employment contract expire." Article 233: "Compensation for maternity leave is to be provided throughout the entire leave period in the full amount of the employees' salary." Article 164: "The administration of an enterprise or organization, in agreement with its professional union, if necessary may provide free or reduced rate stays at resorts for pregnant women as well as provide them with financial support."

CEDAW Assessment Tool Report Georgia, American Bar Association, Tbilisi 2003.**On Arranging Collective Negotiations, Women at Work, a booklet N6, Geneva, 1998 / Translated into Georgian/

The Gender Budget

The state budget is the most significant instrument for regulating macroeconomics, facilitating the fulfillment of those public demands that would be impossible to meet only by means of market mechanisms.

The gender budget is one of the main directions of the gender mainstreaming*, the use of which the state economic policy provides allocation of resources by way of a gender-differentiated principle. The gender budget will make explicit the principle of allocating financial resources mobilized by the state to the population and will show the impact of the gender budget on men and women separately.

The involvement of gender aspects in the budgetary process is one of the specific means of implementing the policy of equality. In the platform of actions adopted by the Beijing Conference (Paragraph 346) it is indicated that governments should take all measures to study on a systematic level the impact of the expenditures of the state budget on men and women; they should also correct the budget in order to ensure equal accessibility of the funds. This, in its turn, requires the inclusion of gender parameters in the process of budgetary decision-making.

The development of a gender budget is of paramount importance to society, because it is a serious base for a democratic society. The traditional economic mechanisms of managing social life and social policy may function rather independently, yet their integration in a principally new direction – namely that of gender, will significantly influence the development processes of the country and the fair allocation of resources.

Designing the gender budget will assist with the regulation of state resources according to gender parameters. Inclusion of gender parameters in the budgetary process will have to provide resolution of the most acute

* "Gender mainstreaming" means the organization, improvement and assessment of the political processes in a manner that the prospect of gender equality will be involved at all levels and all stages of designing any kind of policy by any individual decision-makers.

socioeconomic problems, which in its turn will considerably increase women's role and contribution to the national economy.

The world practice of utilizing the gender budget shows that in different countries it had diverse specifics. The first effort to implement gender parameters in a national budget took place in Australia in 1985. With the help and assistance of the Australian Government and the National Organization of Gender Equality a gender budget was drafted in which the expenditures, as well as revenues were allocated separately for men and women. Civil society was highly instrumental in drafting said budget.

Canada and Great Britain also have a gender budget and in the Philippines, the gender budget is called the Gender and Development Budget (first adopted in 1996). The main principle of the country's budget implies that 5 percent of budget allocations will have to be used by each government structure for the benefit of gender development.

In Sweden and Finland the state budget is also gender sensitive and the gender aspects are envisaged during the planning as well as allocation periods. Ideally, such a practice yields a rather high level of gender equality, which in its turn determines the welfare of said countries.

The Main goal of these various budget initiatives is to come up reprioritization of both expenditure and revenue-rising methods in order to promote social justice. Nowadays, more than 42 countries have a gender budget in place, which will facilitate the realization of gender equality by way of extending equal opportunities for men and women, as well as establishing the principles of fair distribution of the public financial resources in the country. The importance of including gender parameters in the state budgeting process is obvious enough. In June, 2002, at the 23rd Session of the General Assembly of the United Nations, where the results of the action plan were reviewed, it was stated outright that for the purpose of achieving gender equality and peace, a great significance will be attributed to the allocation of budgetary funds for specific and planned activities.

While discussing world practices of developing gender budgets, the following factors should be taken into consideration:

- Recognition of gender approach at every level of government.
- Gender awareness of each participant of the budgeting process and development of gender politics.
- Improvement of statistical information pertaining to gender indicators.

The gender budget is not only the sum of several fixed indicators. It represents the unity of different instruments, mechanisms and institutions designed to serve one sole purpose – to make the gender principle compulsory in the state policy. The gender budget system embraces the spheres of its utilization, the structures involved, representation of the participants and sequence of the specific actions, economic proficiency, legal and organizational form etc.

The idea of a gender budget, along with different sectors, includes the so-called Care Economy, which is mostly based on women's labor.

Professor from U.K. Diana Elson thinks that the main principle of analysis of the gender budget should be:

1. Constant recognition of the importance of unpaid work and its uneven distribution among men and women.
2. Defining the impact of the budget not only on the family in general, but the individual level – men and women living in the family*.

The results of unpaid activities of the *Care Economy*, which is the only source of labor force formation in the private sector, is regarded as

* D. Elson, Conference Paper "Gender Budget Initiatives as an Aid to Gender Mainstreaming," Ministerial Conference on Gender Mainstreaming, Competitiveness and Growth, DECD, Paris, November, 2000

a part of the nation's common wealth. But so far, because of the absence of relevant methodology in the theory of economic dimensions, household work has no fixed evaluation of values and it is not envisaged either in national or in household income, therefore the economic relations within the household are not correlated by way of monetary interchange or barter.

Currently, in the economic literature, the problems of the *Care Economy* can only be monitored by way of studies and general assessment of the time spent by women on household work.

In our belief, it is of certain interest to consider some methodological issues related to designing and implementing the gender budget, focusing on the experience accumulated in various countries and by way of applying the approach developed in a number of international organizations.

Gender theory regards budget expenditures in the three categories given below:

- The expenses that are directed to a concrete group of men and women (enlisting in the army, reimbursing pregnancy and maternity leaves etc.);
- The expenses related to creating equal conditions in the social sector (programs for giving work to unemployed women, allowances for training women with small children, inexpensive nursery schools and the development of other forms of aid facilitating the rearing of children);
- The gender-neutral directions of the budget, which in fact, yield different social results for men and women (assignments allocated for different public functions, regulation of remuneration issues in the public sector, providing public pensions and insurance, social standards, funding education and health care, budget allowances, extending social aid etc.).

The larger the portion of state revenues is accumulated in the budget and the social funds accompanying it, the easier it will be for women to juxtapose economic and enterprising activities with their reproductive functions.

The gender budget contains components against the background of which issues of fair differentiation and resulting welfare look quite controversial. The social-democratic model of the state structure provides equal opportunities for everyone regardless of sex.

It has been underlined many times that a number of roles are imposed upon a woman in social life: women are the subjects of labor relations and the producers of monetary income, a part of which will be absorbed by the state budget in the form of taxes. Woman is an owner of a real estate and some capital, but at the same time, she is a consumer of goods and services, which in its turn, is taxed too.

If we define the link between the main objects of taxation (income, property) on one hand, and the labor and ownership rights on the other, an approximate evaluation of the contribution entered into the state budget by each group of the taxpayers (men and women included) will prove quite possible.

While assessing gender budget, the following methods should be employed:

The analytical method – review of the program and legal documentation for the purpose of revealing gender problems; evaluation of the income and expenditures of the social insurance funds of the budget; improvement of the statistical database.

The expert method – an expert opinion formulated from a gender perspective, concerning the assessment of the impact of the relevant laws adopted in the country;

The Normative Method – Defining state standards, norms, fixed income and the social taxes according to gender;

Planned–predictable – Comparison of the family and labor legislation, as well as of the rights and guarantees of women with the international rules (UN II, European Social Charter);

The Programming Method – Within the frame of state and local budget programs, adoption of the programs targeted to the needs of women and children;

The Sociological Method – Differentiated inquiry of the real and potential beneficiaries of the targeted groups, from the standpoint of the priorities of gender social policy;

The Mathematical-Economic Methods – Calculation of the resources necessary for launching the gender targeted measures; economically effective quantitative assessment of tax revenue share;

The Method of Experimental Approbation – Realization of various events and remedies to be projected and directed toward reforming the sphere of social services (education, health care, social assistance) and allocation of the obtained results according to gender.*

The adherents of gender budget maintain that if budget resources are reasonably directed toward the activation of gender components and to establishing role equality, and if state funding in the social sphere is rationally allocated, this will have a real influence on the process of economic development in the country.

It should also be noted that great significance is attributed to the broad participation of the public in the process of drafting, adopting and realizing laws concerning state and local budgets, as well as the insurance funds (public hearings, lobbying, cooperation with the government in the form of a state social order, partnership-agreements etc.). Training in gender studies and improving qualification in this field is likewise

* Ржаницына Л., Гендерный бюджет, ж. Вопросы экономики, Москва, 2003, стр. 21

important for legislators, public servants, various specialists, representatives of civil society and other interested persons.

It is also notable that an overall system of forming and implementing the gender budget is non-existent, but broad public participation and accessible information on guaranteed constitutional rights, current social-political situation and the institutions responsible for this (the parliament, the government, the court, ministries, local social organs) will facilitate gender awareness in the country; an important role is also attributed to gender education and gender-minded management.

Also important is knowledge of general principles of budget functioning, as well as knowledge of the legal, economic and organizational basis of the budget system. There are three specialized sub-systems of the budget: - functional, institutional and economic.

Transparency and accountability of budgetary processes are vital components of participation and distributive justice. They are important not only in terms of ensuring the recourses channeled into socially equitable ends, but they are also important for the ability of the government to raise avenues. Citizens are more likely to be willing to increase their tax contribution and external actors are more likely to provide financial support when governments become more transparent, accountable and use their recourses effectively.*

Designing a gender system implies the introduction of one more new sub-system to be formed according to gender. Along with a thorough study of the budget code, which is a regulating framework of the structure of the budget and facilitator of the functioning of the annual budget law, knowledge of materials on revenues and expenditures is also needed; in addition, the budgetary system of the state funds of social insurance and its role should also be properly realized, because, in fact, this is the second “social budget,” without which, calculation of the total funds to be allocated for the needs of the population would be impossible.

*Budgets as If People Mattered, Democratizing Macroeconomic Policies, UNDP,2000,p.16

Nowadays, when the country is undergoing various reforms in the field of taxation and social aid, as well as in defence and education fields, special attention should be paid to providing the population with proper resources.

In the current process of restructuring, state policy has to be directed towards establishing the principles of social justice, in which the gender parameters will be integrated. Great attention should be paid to the regulation of reform processes, to ensure that they do not inflict harm on the socially vulnerable layers of the population.

A top priority of new government is to make provision of minimum subsistence payments and guarantees to the most vulnerable. The implementation of macro-economic regulations should be based on a resolution of a number of fundamental issues, that are imperial for establishment of socially oriented policy.

It is also of great significance to process information on regulating the Laws of Labor Code / The new labour code is under discussion/ related to the social rights of the population and economic management. Social oriented Budget should serve reduction of potential social risk impacts / social health insurance, pension insurance, insurance of unemployment/ and strengthen state guarantees.

Paramount significance is attached to social expertise as well, which is to clarify to what extent the policy of equal rights and equal opportunities is provided with proper financing and resources. Usually, the budget is neutral vis-a-vis the population, or in other words, the population is not a direct participant of budget relations, but is positioned as a medium object in the activities of government structures and state institutions.

This kind of discrepancy between the subject and the object of budget regulations will be eliminated if the movement of the financial resources is harmonized with the social structure of the society, i.e. the real producer of income and the final addressees of expenditures.

The gender budget will become an important basis for the state policy to rely on, as equal realization of the capacities of men and women is impossible without the state's support.

It is the duty of the state to provide conditions for increasing the compatibility of women's labor on the labor market, women's entrepreneurial capacities, modernizing education, broadening the scope of the health care system, protecting mothers and children and improving the social services to the families and households (financial aid to children, the schools etc.).

With this in view, Diana Elson specially emphasizes the importance of the gender budget and thinks "negation of the influence of gender on the state budget is not only a neutral approach, but just complete blindness."* Chairman of the Financial Department of the Parliament of Finland, Maria Aula elaborates on this idea to say, "this blindness costs the economic development of the country very dearly, and puts in question the welfare of the population as a whole."**

Truly, the decrease of state expenditures in the spheres of education and health care is highly damaging to the vulnerable layers of the population and usually, its victims are mostly women and children.

In conclusion, it is to be emphasized that:

- Integration of gender analysis in the monitoring of public expenditures has potential to increase the transparency of state spending as well as overall governmental accountability;

* D. Elson, *Gender Neutral, Gender Blind or Gender-Sensitive Budget? Changing the Conceptual Framework to include Women's Empowerment and The Economy of Care*, Commonwealth Secretariat, London, 1997, *Gender Budget Initiatives, Integrating Gender Issues into National Budgetary Policies and Procedures: Some Policy Options*, "Journal for International Development", Vol. 10, 1997, *Integrating Gender into Government Budgets within a Context of Economic Reform*, *Is Gender Budgets Make Cents*, London, 2002

** M. Kasia Aula, *Women and the Economy*, Estonia, 2002

- The effectiveness of expenditure allocations will be well targeted and the allotment of concrete funds according to target groups will become possible;
- Monitoring and control of the budget activities will become effective and therefore, the rate of corruption will considerably decrease;
- Because of the co-participation principle, the relationship with civil society will become stronger and the mandate of trust among the state structures and the non-governmental sector will gain new force;
- Information concerning the international liabilities and gender responsibilities taken on by the state will increase and become widely known.

In January 2005 IAFFE-Europe conference “Central and Eastern Europe: A Feminist economic dialogue on transition and Eu-enlargement” was held in Budapest. The gender Budget as one of the most acute and actual topics was intensively debated.

Diana Elson, Edith Kuiper and other reporters highlighted the important role of the gender budget in the economic policy of the country and introduced successful experience from different countries having integrate gender aspects in the budgetary process.

The gender budget is a financial liability that the government should take upon itself. Along with the necessary political will for the implementation of the gender budget, the support of the civil society is also indispensable; in our opinion, positive tendencies have occurred in our country in this respect.

* see more: www.iaffe-europe.org.

The group of gender experts supported by Oxfam /Great Britain/ together with the Association of Young Economists of Georgia carried out gender sensitive monitoring of State Programs for Social Protection and Employment of the Unemployed Population 2004. This is the first case of gender sensitive monitoring of state programs in Georgia. The aim of the monitoring is to demonstrate the importance of the integration of the gender equality concept in the formation and implementation processes of state programs from the viewpoint of increased social justice as well as overall development of the society. The investigation will be introduced to the government, to civic society and widely discussed.

The National Plan of Action of Georgia which is currently being developed, foresees special work on Gender Budget with cooperation representatives of government structures and civic society.

Two steps should be taken in this field: 1. working on the analytical side for the further development of knowledge and 2. policy tools related to budgetary process and work on policy formulation, advocacy and social mobilization around budgetary issues.

Gender Budget initiatives are wholly new phenomenon in Georgia and thusly serious work will be necessary in order for gender issues to be reflected in the state budget. This is bound to be a difficult and time – consuming process.

Gender Statistics Reality and Perspective

The role of gender statistics is of paramount importance in formulating a policy of gender equality. "Gender statistics" is data pertaining to the conditions of men and women in all spheres of economic, as well as civil activities. It is one of the most important instruments that enable us to envisage the characteristic features of men and women regarded as specific social-demographic groups for the purpose of designing an optimal policy envisaging equal rights and equal opportunities for them.

Gender statistics provide not only a general juxtaposition between men and women, but also contains an assessment of the level of their participation in different spheres of social life. It facilitates not only the resolution of women's problems but also the resolution of problems facing the whole society in the allocation of resources and revenues, as well as in the sphere of rights and responsibilities, of work and recreation. The main directions of gender statistics on the international level were most completely formulated at the 5th Women's Conference in Beijing (1995), in the declaration called the "Action Platform," which was adopted and approved by the UN special assembly: "Women in 2000: Equality among Men and Women, Development and Peace in the 21st century."

The platform contains the main objective of gender statistics and explains that all statistical data obtained on each separate individual has to be prepared, analyzed and presented with the gender and age of the person indicated; it should also reflect the problems, pertaining to the conditions of men and women in the society. The "Action Platform" attaches particular importance to the issue of ensuring reciprocal links between the Data users of information and the regular publications on gender data.

Gender statistics is of paramount importance in determining the status of men and women on the labor market and for the resolution of their employment problems. More and more data are needed about

informal labor agreements and on the participation of men and women in the private sector as well as in informal economics so that the objective reality should be properly reflected in labor market policies. The most problematic areas in the field of gender statistics there is lack of sex-disaggregated data for the majority of countries in some of the key gender issues and particularly in: *

- Participation in decision making
- Gender attitudes
- Participation in elections
- Entrepreneurship
- Domestic violence
- Poverty
- Informal employment
- Time-use
- Access to land and economic resources
- Access and use of ICT

Some countries have an active programme on gender statistics and work toward a better mainstreaming of gender into the production and dissemination of national statistical offices.

Georgia is in the group of countries where the development of gender statistics is not so strong. Gender specific activities in the statistical office is not strongly supported by the local authorities and donors. There programme of gender statistics is part of the short and medium term State Statistical Programmes of the SDS not separated from the social-economic statistics. The presentation of the data and relationship with users are regular but still needs to be improved.

* Report of the status of official statistics related to gender equality. in faster Europe and the CIS countries. ?UNECE Statistical Division ,UNDP Bratislava Regional Center, Geneva, October 2004

Until recently, there was no systemic approach to the organization and presentation of gender statistic information. In the strictly defined spheres of activity, there existed only set method of separating statistics regarding women from the overall data. In response to the requirements given in the state order, the goals and objectives, as well as the forms and methods of disseminating statistical data have considerably changed during recent years.

The Statistics Department of Georgia, through the assistance of the Development Agency of Sweden published a statistical abstract "Woman and Man in Georgia," published twice in 2000 and 2003. It contains the demographic and socioeconomic indicators according to gender differences and is no doubt, a significant step forward.

The demand for statistical information related to gender equality problems has increased and the circle of consumers of such information has also grown; the need to improve gender statistics is also growing on a daily basis. The statistical registration system now in place in Georgia does not allow a comprehensive and accurate reflection of issues from a gender perspective across the whole country, as well as in the regions. In some fields of gender statistics unfortunately there's no low regulation for production of gender statistics in Georgia.

In order to support the survey of gender economics in Georgia, it is necessary to improve and develop statistical data in spheres such as economics, business and migration, violence and crime. The definition of gender indicators is also very important in order to accurately depict the socioeconomic situation existing in the country in terms of gender parameters.

It is also necessary to obtain complete statistical data according to indicators such as sex differentiation and age pyramids according to administrative units, periodic employment at various jobs, the most popular professions in the state and private sector according to the number of employed (for each gender); social-demographic indicators of Georgian emigrants (sex, age, ethnicity, marital status, level of professional ability); single persons (age, sex, ethnicity, education, marital status, occupation).

The Statistics Department plays a key role in terms of the implementation of the new indicators of gender equality. The realization of a state gender policy will prove impossible without providing the relevant statistical background.

In compliance with the development of civil society, a large network of NGOs was created, which are consumers of the statistical information, though it is worth noting that as a result of the requirements of international organizations, executive structures have also become interested in the development of gender statistics.

Great attention should be paid to creation of systemic statistical indicators, which along with analysis of the controlling mechanisms of implementation of the legal acts, would depict a factual picture of the status of men and women in order to ensure equal rights and opportunities for them. The most urgent goal is to improve and broaden the methods of collecting data concerning statistical registration marked with gender indicators, because, in fact, a lack of such statistical data can be found almost in all countries of the world.

Theory of Gender Identity and Marketing

The concept of modern marketing represents a demand consumption projected system of viewpoints, that is integrated marketing, the principle of which is to produce only those goods and services, which are directly associated with various segments of the consumer market. The demand and the structure of the goods are defined by way of studying and analyzing the targeted market situation. It requires segmentation of the target market and division of the market in such groups that will need a particular type of goods or a whole complex of marketing. The market segment implies the unity of those consumers, who have a similar reaction to specific marketing measures and incentives.

The classification of consumers is mostly based on the characteristic features of their requirements and the unique aspects of their behavior. Each of them is formed under the influence of a number objective or subjective parameters (gender, age, marital status, geographical location, living conditions, income, rearing, traditions etc.), which provide segmentation of the market with regional, demographic and personal factors in view.

The process of consuming goods and services is connected with sex and gender. Study of consumers in the marketing system is carried out from a gender perspective; gender affiliation affects the mode of their behavior and intensity of their activity a great deal. On the labor market, segmentation of consumers can be conducted by a company in five ways:

- Concentration on one segment of the market; in such a case the firm aims to sell a concrete set of goods to a particular section of consumers, i.e. goods designed for women;
- Segmentation projected to a group of goods – supplying a certain brand of goods to all segments, including gender;
- Segmentation for a particular group, which envisages supplying a variety of goods to one concrete group of consumers, i.e. young women;

- Selection of the segments which are totally different from each other in consumer groups as well as according to different brands of goods; for instance, women's shoes at the market. With these characteristic features in view, the following segments can be distinguished: boots for the young ladies, the elegant high-heeled boots for the middle-aged ladies and the boots for seniors.
- Display of all kinds of goods at all segments of the market or total occupation of the market, which is the habit of large-scale companies, corporations and the firms, for instance: the cosmetic firm *Lancome*.

According to gender theory, gender-determined personal features are revealed on the consumer market, where gender identity represents itself as the sum of the characteristic features of the consumer community. In addition to this, the difference in gender considerably changes the attitude of the consumer towards the goods and the services on the consumer market. The significance of gender differentiation shows itself explicitly there and therefore, it is gender identity that plays a very important role in executing market strategy.

Gender identity was first mentioned during studies conducted in the sixties and seventies on consumer reaction to new goods and since the eighties, it has grown into the study of the intensive behavior of the consumers.*

A question arises: "What are the specific factors that determine gender identity?"

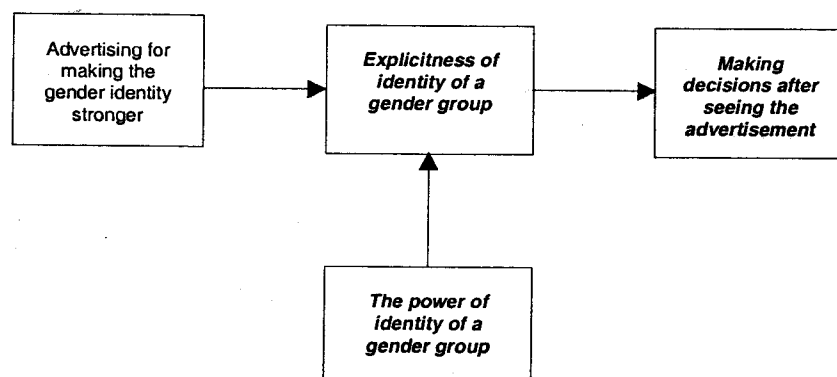
As it has already been mentioned, the process of consuming goods is related to sex differences and gender. Gender greatly influences the mode of behavior and activity of consumers, as well as their capacity to

* Bearden W. Ingram T., Marketing, USA; 1997 A Social Identity Perspective, Academy of Marketing Science Review /Online/, 2003

purchase goods. In literature on marketing, research studies of consumer reaction are conducted from a gender perspective.

Gender identity shows us the difference that exists among the consumers in regard to their attitude towards the goods and the services. Advertising plays an important role in forming gender identity; it influences the consumer and his/her behavior and therefore it is regarded as one of the most effective ways of communicating with the consumer. Because of this, in the literature on marketing, paramount significance is attached to promotion and its influence on the decisions of the consumer. It is considered that women are more sensitive to the influence of advertising, which shows that men and women digest information differently.

Chart # 2



The rate of influence that advertising may have on stirring the buying capacity of the consumer by way of increasing activity of a given gender group, is depicted on the chart below.

The model given above depicts the process, by way of which advertising may make the identity of a gender group stronger and consequently, influence the decisions of consumers. The first box contains the issue of making a gender group more active by means of advertising; in the second box the accent is made on explicitness and the expression of gender identity. The third box indicates that explicitness can be influenced by how strongly a person is aware of his/her gender and the

fourth and final box shows to what extent gender may influence the process of comprehending the advertisement.

Gender identity is an example of social affiliation in which a person sees himself or herself as a member of a gender group. The activation of a gender group influences the nature of the existing affiliation and changes in it; each individual has numerous social affiliations at one time and it is preferable that an advertisement would push forward the desired social affiliation, i.e. in order to get the desired result, advertising should particularly underline the gender identity.*

As it was mentioned, great importance is attached to studying consumers according to different segments. The gender approach plays a significant role in the classification of consumers on one hand, and in forming their mode of behavior and demands on the other. The decision of a consumer to purchase something depends on the factor of the segment, which defines the consumer attitude towards the specific goods and services. The model of consumer behavior depends only on the individual gender characteristics and gender identity does not mean the relationship of the consumers as of individuals connected only by gender relations.

It is a broader notion implying social connotations. Consumers make decisions not because of personal factors, but because of the social environment in which they are placed. Gender is regarded as a social construction of mutual cooperation, which determines consumer behavior while purchasing goods and services. Gender is an example of a social category that influences the values and priorities been formed within society through different stages of its historical development.

For the purpose of developing marketing, great importance is attached to the selection of a target market and development of good relations with consumers. Review of the consumer market from a gender perspective deserves attention as well, because without it, achieving the main goal – the maximum satisfaction of the consumers – would prove impossible.

* Materials ACR Conference on Gender, Marketing Consumer Behavior, Wisconsin, USA, 2004, Yudkin M., Gender in Marketing, USA, 2001

Chapter Two: Gender Analysis of Socioeconomic Development in Georgia

*The woman is the stronghold of the nation,
the man is the hedge to protect it*

Ilia Chavchavadze

*If the women of a nation enjoy high status
then the nation flourishes. If not, the
progress of a nation is hindered
and this is, certainly the way it should be.*

Akaki Tsereteli

(Prominent Georgian poets)

Distinctive Feature of Gender Roles in Georgia

Despite their global character, gender problems are characterized by numerous differing traits in the world's various regions and countries, a fact predetermined by the historical-political, economic, religious, ethnic and family traditions specific to each environment. Therefore, it is necessary that the gender policy comply with the specific socioeconomic circumstances. It has to be specially underlined that despite the vast experience accumulated in this sphere across the world, the mechanical transfer of the existing standards into our reality will not yield positive results and will even be destined to failure.

Georgia, with its history, traditions, culture and education is strikingly different from developing countries. One of the differentiating aspects is a very high level of education of the population, among men as well as women (factual absence of illiterate people, high indicators of university education among the population etc.), also equality of men and women reinforced by law and so on.

In Georgia, a special feeling of veneration towards women, or even existence of the cult of women has always been a leading feature throughout the entire history of the nation. If a woman threw her white scarf between two men locked in a vicious confrontation, then the fight would stop and the opposing sides would reconcile.

The issue of equality of men and women, of course not completely in the modern sense of the word, showed itself every now and then at different stages of the historical development of the Georgian people. The literary monument of the 5th century AD, *The Martyrdom of Saint Shushanik*, written by Jacob Tsurtaveli, speaks to this quite vividly, for in this story, Shushanik discusses the rights of men and women.

In the Middle Ages, which is the epoch of Georgia's political-economic revival, it is the woman monarch, who is the ruler of the country and two of the four main characters of the outstanding poem *The Knight in Panther's Skin*, created in that epoch, are ideal female monarchs; one of the famous quotations of the poem: "The lion's cubs are equal, be they male or female, whether male or female" has come down to us through the centuries and is a manifestation of the idea of equality of men and women. But on the other hand, this idea proved unable to find a true embodiment in the previous epochs and later on it turned to be squeezed within the narrow frames of the patriarchal-feudal thinking, which resulted in the depreciation of women's rights and their inferior socioeconomic status as compared to men.

The only means of elevating women's status appeared to be their reproductive function, which enabled them to play a respectful role in the family, as well as in society as the whole. One of the rights of women, out of very few that they enjoyed, was the right to private ownership on the dowry, which they brought with them to their husbands' family after the marriage, and this right was codified in law. "It is true that the woman was a second-rate member of the family 'community,' but there still was a means of raising her status – it was her private property." Since the Middle Ages, no one had the right to deprive her of that property.* At the same time, the only function allocated to women was to carry out household work.

Women's work outside the family was not appreciated, especially if there was an able-bodied man in the family. According to the rich

* N. Gugushvili, *The Image of Women in Georgia of Middle Ages*, Tbilisi, 2000, p. 18 / in Georgian language/

ethnographic literature and numerous other documents about Georgia, of course, women were burdened with household work and men were considered the heads of the family, yet women were largely in charge of deciding the main household economic problems (selling the harvest, allocation of the income, marriage of the children etc.) acted as factual leaders /administrators of the family.*

We will continue the discussion on women's economic activities in the next chapter. During the transition period, the events that took place in Georgia have even greater emphasized the role of the female labor force on the labor market, although even that proved unable to influence their socioeconomic status.

As for gender indicators, Georgia is not distinguished from other countries of the former Soviet Union. The UN has been publishing indicators of gender development since 1995, in which the index of human development is supplemented by the indicators of gender parameters. According to the gender index,** Georgia occupies 73rd place among 174 countries and is 12 stages ahead of the human development index.

*The Situation of Women in Georgia, The UNDP, Tbilisi, 2000, p.6

** The Gender Development Index is a composite index that comprises values for /1./ the ratio of female non-agriculture wage to male non-agriculture wage./2/percentage share /male and female/of the economically active population./3/Male and Female population./4/ life expectancy at birth /male and female separately./5/ Adult literacy rate/ male and female separately/, and /6/. combined gross enrolment ration/male and female separately/

The Gender Empowerment Index is a composite index that that comprises values for /1/percentage share of parliamentary presentation ./2/percentage share of administrative and managerial positions./3/Percentage share of professional and technical positions. see Human Development Report , Georgia,2001-2002,p.69

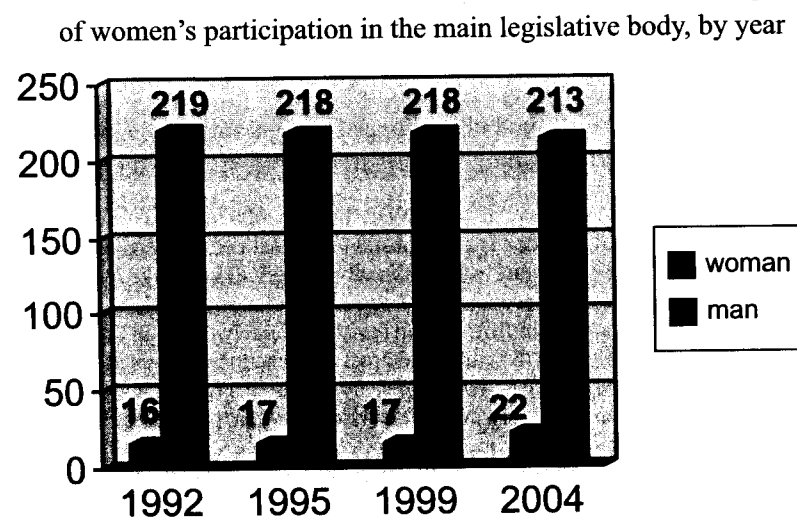
Women in politics

In order to achieve gender equality, great attention must be paid to the political, as well as economic aspects of the issue. The subject of our research is socioeconomic issues, but it is imperative that we also touch upon the closely related issue of women's participation in making political decisions. It is widely known, that politics is a sphere in which ascending the hierarchical ladder, along with gaining autocratic power, implies the strengthening of the financial basis as well. Women are hardly represented in the process of making either political or economic decisions.

Georgia is no exception. Four parliamentary elections and two elections of local self-governance have been held since 1992, yet the presence of only a small number of women in said organs clearly indicates that the existing political and economic environment in the country proves unfavorable for the active involvement of women in political and economic life.

The number of women engaged in the parliamentary structures and the organs of local self-governance stays almost unchangeable. Only in the last parliamentary elections of 2004 did the number of women MPs slightly increase (up to about 10 percent).

Figure # 1



A woman was elected as the Chairman of the Parliament for the second time and the leader of the parliamentary majority is also a woman; two of the chairmen of 13 parliamentary committees are women, but this does not at all mean that radical changes have taken place regarding equality of women with men.

The political spectrum has completely changed in Georgia over the last 12 years. Many political parties have completely disappeared from the political arena and many new ones have emerged, which are stronger and more consolidated. Yet the gender approach has not changed – the more influence a political party has, the less women representatives you see among its members.

It is extremely difficult for women to advance in the party hierarchy. Political parties often consider that men are the basis for them to rely upon, though it frequently happens that women fulfill quite important functions as well, particularly in terms of the internal administration of the party, and its relationship with the mass media and the public. Often a woman's capacity to be flexible and diplomatic can play a paramount role in exposing women's role in the life of a political party.

Insufficiently developed internal democratic principles, little transparency and the party hierarchy are obstacles to raising the rate of participation of women in the political parties. Recently, civil society has spared serious efforts in order to support women in political activities. In particular, women's NGOs supported by relevant international organizations arranged a number of discussions and meetings during the pre-election period.

A get-out-the-vote campaign was launched to encourage women's participation in the election process, which delivered to the political parties a special questionnaire designed to reveal whether they were intending to deal with problems of gender equality and how they would resolve them. Issues like developing a law on sex discrimination and entering amendments into the Law on Election of the Parliament and Organs of Local Governance (which would establish a certain quota for women in

the election lists of the parties and would conduct measures aimed at facilitating the political leadership of women and advancing their abilities in this sphere) came to the forefront. Unfortunately, the majority of influential parties did not show much interest in said problems; only a few parties proved to be an exception, but they limited their response to oral promises.

Despite this, it should be mentioned that lately, women's political activity in Georgia has dramatically increased. Through their intensive work, women's NGOs have accumulated much experience, more competence and effective skills for group work during recent years. Especially important is the year 2000, when through the assistance of the Democratic Institutions and the Bureau of Human Rights of the OSCE, the Coalition of Women's Non-Governmental Organizations was established, which gave a significant push to the numerous women's organizations for further consolidation of their forces.

An analysis of the past years shows us that despite a large number of women's NGOs, their impact on the mentality of the society is still very weak. The forms and methods of cooperation of women's organizations with the official governmental structures command further improvement and refinement, not to mention the lobbying mechanisms which have also proved ineffective; hence the lack of female members in the legislative organ. There exist a number of factors that prevent women from achieving success in the field of politics; they are as follows:

- Management skills: men have more experience in political activities than women;
- The potential of men and women in terms of financial resources;
- The mandate in trust to women is much less due to the fact that "patriarchal syndrome" remains prevalent in Georgia;
- The socioeconomic conditions and relevant social infrastructure existing in the country creates a specific barrier

to women in terms of the growth of their political and professional career;

- The institutional mechanisms existing in the country are ineffective at achieving gender equality;
- The political parties have not yet formed a clear-cut position concerning gender issues;
- The mass media remains neutral regarding gender issues.

As has already been mentioned in the introduction, the new government of Georgia is ready to launch a targeted state gender policy. Instances of women advancing to higher positions in the executive structures have become frequent; two ministerial posts are occupied by women and almost all ministries have female deputy ministers. Yet there are no women among the high officials in any regions of the country.

As certain precedents of promoting women to posts of high authority have failed to influence the formation of the state gender policy, we consider that the creation of a Consultative Council of Gender Equality in the Parliament of Georgia (to be headed by the Chairman of the Parliament) would prove to be an effective tool for putting in motion the gender institutional mechanism. With the participation of the official structures as well as NGOs, the formation of a governmental commission for ensuring gender equality is also underway, which will take responsibility for realizing the action plan of the country in this direction.

Since 2004, the UNDP has been developing a regional project: "Women and Politics," designed to facilitate the increase of women's participation in the legislative branch, as well as in all other levels of government. Said mechanisms are to ensure the implementation of the state gender policy or gender mainstreaming, this being one of the principal directions of the Beijing Action Platform. It is the duty of the government to develop active politics of gender mainstreaming and provide proper conditions of equal participation of men and women in the decision-making process.

The Labor Market in Georgia

The process of transition to the market economy was accompanied by economic calamities, which have considerably hindered the economic development of the country. In the course of the economic crisis, the pace of growth of the Gross Domestic Product compared with the similar indicator of the Soviet period has fallen dramatically. The existing socioeconomic infrastructure lies almost in ruins.

The economic reforms launched in the country, the restructuring processes and privatization have caused the polarization of the population into rich and poor strata. A social layer of entrepreneurs and private owners was formed, which, through the initiative of the state, appropriated privatized facilities. Great hopes were pinned on the privatization process, because it was believed that their rehabilitation would create new jobs, but all those hopes proved unfound. Meanwhile, a huge army of unemployed persons was created, without any social guarantees. The sharp reduction in the number of jobs has caused the decrease of the demand for labor and the employment of men as well as women.

In Soviet times, the integration of women at the labor market was carried out under similar regulations in all the republics. The composition of the work force accurately reflected the economic structure of the country. A large part of women employees worked in the field of agriculture, 1/3 of them were engaged in production and the rest had jobs in health care services, education or in state government institutions.

The dismantling of the Soviet Union, the political events that took place in Georgia and the devastated economy caused a considerable decrease in the employment rate. In 1991-1996, restructuring of production in the course of forming a market economy brought a number of economic fields to a complete halt. The economic crisis ousted more women than men from the production field. On one hand, this can be explained by the fact that the traditionally "women's fields" (textile industries, food industry, chemical production, the social sphere etc.) were dealt the biggest blow. Unemployment among women acquired a massive

form, but unfortunately, official statistical materials hardly reflect the existing reality.

The number of registered unemployed persons is 619,066 and accounts for 55.3 percent of women and 44.7 percent of men; 14 percent of the total population is registered unemployed. The relevantly small number of registered unemployed is due to the fact that a vast majority of the population was formally employed and not officially registered under the status of the unemployed. At that period, as well as now, almost all men and women living in rural areas, whose families have 0.5 hectares or more land in their possession, are automatically registered as being employed. A larger part of the employed population engaged themselves in agricultural self-employment on small plots of land, whereas the rest moved to the cities. In fact, as the owners of the plots of land in rural areas, they are considered employed, but in fact, they live in cities, have no fixed jobs and find work in different types of self-employment.

These circumstances determined the unemployment rate of 17.5 percent among men and 15.1 percent among women in 2004. The data of the unemployment rate of men and women on the labor market do not reflect the real situation on the labor market in Georgia.

Georgia is in the midst of the process of forming a labor market and therefore, defining the status of unemployment according to mitigated criteria will properly reflect the real situation, for according to it, the individuals who have no work at the moment are considered unemployed, though they are ready and eager to work, but they have stopped looking for a job because they have lost hope of finding one. These data do not contain the number of those unemployed who have left the labor force. The majority of young women take long maternity leaves, because they see that it is almost impossible to find proper work on the labor market.

The existing statistics also do not reflect the tendency when women are obliged to take a low paying job and work in less favorable conditions, so that at least they have some kind of job. All this has caused a change in the structure of employment, which in its turn, has influenced the nature of economic relations.

Women have shown a greater capacity to adapt to the demands of the market economy, though they proved unable to find employment that corresponds to their high professional qualifications.

During recent years, socioeconomic calamities have made women's hidden discrimination even more acute. In families with very little income, women's contributions to forming the family budget amounted to almost half and even more in some cases. Despite this, the place allocated to women in the family remained unchanged.

Along with the functions of a housewife whose responsibilities were to take care of the family members, women started to shoulder obligations of breadwinner as well, which proved to be a heavy burden on them. "The status of woman as of a secondary breadwinner became an established rule on the labor market."*

In Georgia, as in all countries of the world, men and women are radically different from one another in terms of their economic activities. The coefficient of women's economic activity (the percentage of economically active women among the population 15 years and older) in Georgia is on the level of developed countries and amounts to 56-58 percent, which greatly exceeds the level of economic activity of the women of South Africa, Latin America, and the countries of South Asia.

The level of economic activity of men exceeds that of women and amounts to approximately 74-77 percent. Despite the fact that the number of women 15 years and older is 1.2 times greater than that of men, the number of the economically active men is more than that of the women, but nevertheless, the number of unemployed men is 1.3 times more than the number of the unemployed women.**

* E. Ruminska-Zimney, Employment Policy of the Transition Countries, Geneva, 2004, p.2

** The State Statistics Department, Households and the Labor Force in Georgia in the First Quarter of 2004, 10.

Table # 3

Structure of the labor force and indicator of economic activity of the population, according to gender, in the first quarter of 2004.***

	Women	Men	Total
	(in thousands)		
Total population 15 years and older	1699,0	1443,7	3142,6
Total active population /labor force/*	942,4	1064,3	2006,7
Total active population /labor force/**	974,2	1114,6	2088,8
Working	827,4	919,1	1746,4
Employed	300,7	319,1	619,8
Self-employed	526,5	599,0	1125,4
Unknown status	0,2	1,1	1
Under employed	42,6	68,5	111,1
Unemployed*	115,0	145,2	260,2
Unemployed**	146,8	195,6	342,4
For less than one year	24,1	72,2	96,3
From one to three years	26,5	46,2	72,7
For more than three years	55,5	53,8	109,3
Have never worked	57,7	52,8	110,5
Population outside the labor force*	754,2	375,3	1129,5
Population outside the labor force**	722,4	325,0	1047,4
Level of unemployment (percentage)*	12,2	13,6	13,0
Level of unemployment (percentage)**	15,1	17,5	16,4
Level of active* (percentage)*	55,5	73,7	63,9

It should be specially emphasized that the age structure of the labor market has considerably worsened and the economic activity of young women has dramatically decreased. Only 42 percent of the women age 20-29 are active, and they are forced abandon attempts to work in the professional spheres. The dismantling of the social security system and the sharp decrease of the number of nursery institutions for children has particularly affected the level of their economic activity, but instead, the level of activity of retired women has dramatically grown.

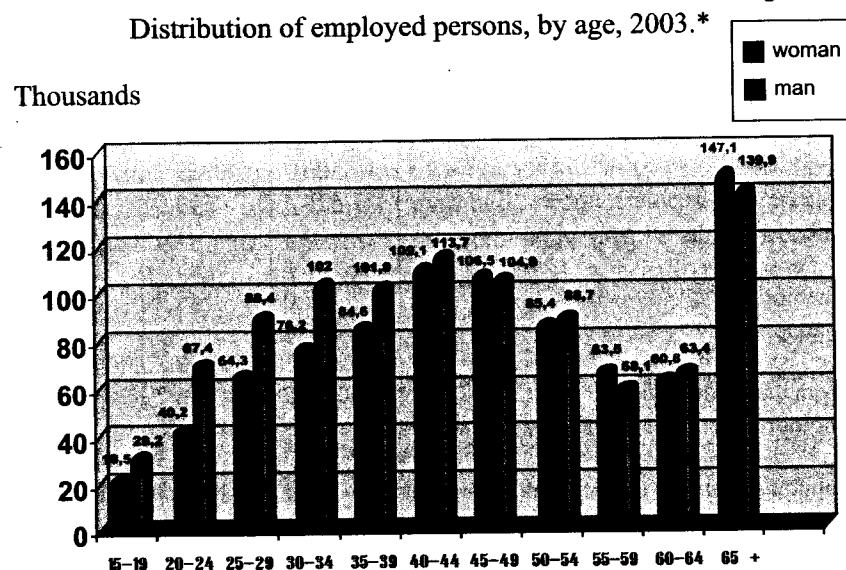
* ILO, according to the strict criteria of the International Labor Organization

** ILO, according to the mitigated criteria of the International labor Organization

*** State Department For Statistics of Georgia, 2004

In the year 1999, the 57 percent of men and 41.1 percent of women age 65 and older are economically active. This is caused by the level of poverty and very low pensions distributed by the state. In order to provide at least elementary living conditions, they are forced to work and minimum a minimum standard of living by way of various activities.

Figure # 2



In the process of economic transition, a new social layer has been formed, which given the intensive use of its labor force, productivity, the quality of work it performs and the recognition of society, belong to the group of the employed, whereas in terms of the level of remuneration and consumption, they are quite close to the unemployed.**

Household enterprises with little land, the informal petty traders in booths and market stalls, as well as people employed in the service sector create the category of the self-employed. According to the mitigated criteria of the definition of unstable employment, if an individual works for at least one hour a week, he/she will be considered self-employed.

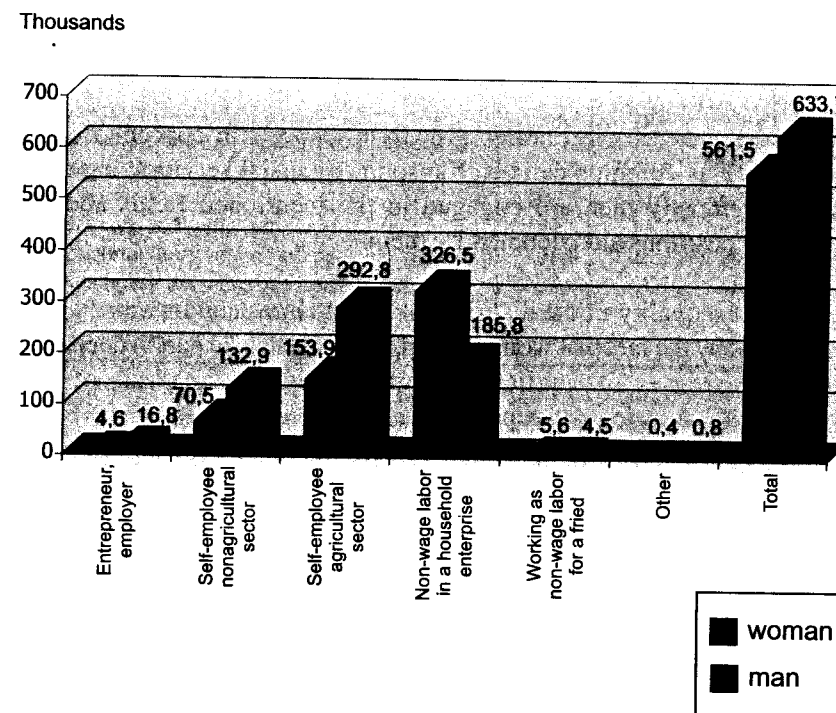
* Labour Market in Georgia, UNDP, Tbilisi, 2002 p.19

** T. Kepuladze, On Some Aspects of Formation of the Labor Force Market in Georgia, Journal of Economics, N7, p.33

It is interesting to note that the majority of officially employed women (70 percent) belong to the so-called self-employed group and only 30 percent of them are occupied in various enterprises and organizations. Only 15 percent of the total number of self-employed women work in the form of employers in the informal sector, whereas the vast majority of the self-employed are on the verge of poverty. The data on the activities in the informal sector are rather poor, but the information at our disposal indicates the tendencies that have been revealed in the informal sector.*

Figure # 3

Distribution of self-employed persons in terms of economic status, 2003



* State Department For Statistics of Georgia, 2004

Working in the informal sector has become a common form of occupation for women. The combination of formal work with secondary work in order to receive an income adequate to one's needs has become very widespread.

The overwhelming majority of women are employed in the agricultural sector. Work in the informal sector is regarded as a necessary strategy for physical survival, especially in cases when there is no other alternative for finding a job. Many women are similarly engaged in unpaid labor in their households.

On the labor market, women are mostly employed in the spheres of education and health care, which are considered a low paying spheres. According to the separate types of women's activities, the number of men employed in other spheres considerably exceeds the number of women.

In recent years, economic growth in Georgia is concentrated in sectors such as communications, transport, financial services, industry and trade; mostly men are engaged in the mentioned fields and all leadership positions are occupied by them.

The inequality in the distribution of resources and income is pre-conditioned by the fact that women are not allowed to take part in decision-making processes. A qualitative and quantitative analysis of the employment rate shows that professional (according to the fields) and vertical (hierarchical) segregation on the labor market is growing stronger, which is in correlation with their political and economic empowerment, as well as with the positions they occupy.

A tendency of reshuffling women through economically unprofitable fields is clear. For instance, in fields like electric energy, gas, water supply, transport, communications and wholesale trade, the number of women is dramatically decreasing, a fact which is demonstrated in the following table:

Table # 4

Allocation of the employed according to economic activities.*

(in thousands)

	2002		2003	
	Women	Men	Women	Men
Employees total	885,1	954,1	857,0	957,5
Agriculture, farming, hunting, forestry	489,3	499,0	486,6	508,3
Fishing	0,1	0,5	0,2	0,5
Mining industry and quarries processing	1,1	4,1	0,5	2,3
Processing industry	23,1	62,2	31,0	57,8
Electric energy, gas and water supply	5,7	20,9	4,1	15,7
Construction	1,1	33,0	0,4	39,7
Whole and retail trade; repair of cars, motorcycles, everyday repair and other services	100,4	115,0	86,1	142,4
Hotels and restaurants	9,9	5,2	9,8	6,8
Transport, storage and communications	14,8	63,5	11,5	65,4
Financial activity	5,1	2,6	5,0	4,8
Real estate activity, rent and commercial activity	10,3	10,1	13,3	19,0
State management and defense; compulsory social insurance	32,7	75,8	27,9	63,5
Education	105,5	24,2	108,1	27,5
Health care and social services	51,8	11,6	41,0	8,0
Other community, social and personal services	26,9	25,1	23,0	22,2
Private household enterprise with hired help	7,1	1,1	6,8	1,0
Extra-territorial organizations and bodies	0,1	0,2	1,1	2,4
Not identifiedg			0,6	0,2

The difference is especially great regarding in terms of income. The average salary and income of employed women considerably lags behind that of men. In particular, the average salary of women working in the state sector on the basis of contracts amounts to only 55.1 percent of men's compensation. In the budget organizations and the organs of state management this number stands at 46 percent, in the non-governmental sector – 63.6 percent, agriculture – 82.5 percent, trade – 71.2 percent, education - 72.6 percent, health care – 71.3 percent and in other fields of social services this figure amounts to 51.7 percent.

* State Department For Statistics of Georgia, 2004

This difference is of significance among the employers as well the employed, the income of women entrepreneurs is 34.7 percent less than that of male employers and women hired employees – 21.8 percent less than men. The above mentioned indicates that women (especially hired employees) are mostly engaged in low-qualified work and can only get relevantly low positions (with the corresponding low salaries).

Table # 5

Nominal monthly salary of hired employees according type of economic activity (in GEL)*

	2002		2003	
	Women	Men	Women	Men
Total economics	75,7	150,1	85,7	163,0
Agriculture	36,7	44,5	45,1	48,3
Mining industry	167,1	199,5	192,4	226,2
Processing industry	101,6	165,1	108,4	174,9
Electric energy, gas and water supply	198,0	219,7	226,2	257,0
Construction, building	120,5	181,9	124,3	215,4
Trade	60,1	84,4	72,6	97,5
Hotels and restaurants	46,1	57,6	41,1	63,0
Transport, communications	137,2	185,3	145,6	208,3
Financial mediation	381,6	492,3	473,3	607,6
Real estate operations	70,0	113,7	83,3	135,0
State management and defense; social security	99,1	163,2	93,9	15,15
Education	52,0	71,6	62,7	86,7
Health care and social services	51,7	72,0	69,0	106,0
Other consumer services	59,1	114,3	53,6	99,0

According to the 1989 data, every third employee of the state management organs and the heads of their structural sub-divisions was a woman, but their share of management posts in important facilities of material production amounted to only 17.2 percent, while in said structures, 27.4 percent of the heads of the bureaus, sectors and groups of the enterprises and departments were women.

Yet, in recent years, due to the fundamental economic restructuring underway in the country, the picture has changed a great deal. The number

* State Department For Statistics of Georgia, 2004

of jobs in state structures has been considerably reduced and today the overwhelming majority of the population - both men and women - are employed in the non-governmental sector.

Table # 6*

Allocation of the employed according to economic sector
in thousands

	1996		2003	
	Women	Men	Women	Men
Total employees in Economics	882,0	936,0	857,0	957,5
State Economics	312,6	212,1	218,6	190,5
Non-governmental sector	569,4	642,7	638,4	767,0

In the top positions in management organs men outnumber women 26 to 1. In contrast, women constitute a majority of highly qualified specialists – 1.7 times the number of men, though a practically equal number of men and women have received professional education of this level. Half of employed women are unskilled laborers, as compared to 48.5 percent of men.

The research materials show that the informal sector is more dominated by women, whereas the private sector is primarily the territory of men**. Women's participation in the private sector is rather limited and their labor rights are frequently violated; in the current situation, chances for improvement of their material welfare are almost non-existent. Women take such work only for the sake of saving their families from

* State Department For Statistics of Georgia, 2004

** Studies from Hungary and East Germany indicate that as banking, insurance and the entire financial sector have become privatized, increasingly central to the economy, and significantly more lucrative, men have streamed into jobs there. Men started to occupy leadership positions even though women have dominated banking for decades before, when it consisted largely of routine accounting." / A Research Agenda For the Analysis of the Impact of Economic Reform and Structural Adjustment on Women's Economic and Social Rights in The Transition Countries Maria Karadenizli in the book Transition, Privatization and Women, 2002, Subotica, Yugoslavia, p.37

starving. Unfortunately, due to scanty information, gender analysis of the private sector is very difficult, but disproportion between the genders is still vivid in this sector, a fact conditioned by certain objective reasons.

In 1994, the first stage of privatization in Georgia gave birth to a new strata of enterprisers in our country. The existing legal basis (specifically the law on privatization) did not restrict the participation of the population in this process.

It is not our task to give a legal assessment of the privatization process, but if we judge according to the results, it is clear that a large part of state property was appropriated by those entrenched in the governmental hierarchy, i.e. those who already exercised great power. Because women's participation in the high levels of state management was practically negligible, they were unable to acquire any large industrial or agricultural facilities and managed only to become proprietors of small enterprises in the service field. They did not possess the capital needed to purchase the facilities which were available for purchase through the privatization process.

Table N7

Indicators of privatization of small enterprises in Tbilisi*

Sector for privatization	Facilities approved privatized facilities	Pprivatized facilities	Total number of owned by women
Industry	319	223	12
Energy	3	28	0
Agriculture	548	341	57
Bakeries	139	95	1
Building	165	252	0
Trade	4,056	3,897	1,254
Service spheres	4,106	3,891	987
Gas stations	164	164	2
Health care	669	523	85
Social sphere	85	396	41
Banks	139	95	1
Total	10421	9,905	2,431

* Information from Ministry of Property Arrangement, Tbilisi, 1999

As we can see from data, women are the majority only in the education and health care sectors, which are typically less profitable. Other business sectors that are more likely to hire women are the mass media and entertainment sectors. The mass media is well known as a "women's sector": two-thirds of reporters are women, and there has been a sharp increase in the number of women holding leading administrative positions. Another example is show business, where young women are working as artists, designer and advertising agents.

Especially striking is the small number of the privatized facilities in the fields of banking, energy and building. In those spheres, where the opportunity to gain profit is higher, women's participation is non-existent, which means that women's enterprising opportunities developed in Georgia in accordance with professional gender segregation.

In 2004, with the help of the US Development Agency, the Entrepreneur Support Association conducted a special survey in order to study the situation in 50 large companies of Georgia. It was extremely interesting to discover that only 2 women occupied high positions in these companies. Women are mostly involved in small businesses, especially in the service spheres such as education, health care, trade, restaurants, hotels, pharmacies, publishing houses, etc.

The unfavorable environment for enterprising in our country creates more problems for women than for men. Because of unfair competition in business management and their lack of experience "cutting deals" (often illegal) with public or private officials, women have great difficulties acquiring the trust and confidence of potential partners when starting businesses. Even in the period of uncontrolled allocation of large-scale credits, women businessmen could not get a single such credit.

Entrepreneurship does not come atomically with liberalization and privatization. An entrepreneurial economy must be promoted through appropriate policies and adequate institutions in many areas, such as education and training and starting capital. The first stage of such programme must involve research on businesswomen and their status on the labour market, to be used as the basis for subsequent activities.

2003-2004, through the support of OSCE/ODIHR, the association Gender For Social and Economic Development launched a project in 6 regions of Georgia in order to study the enterprising business for women engaged in small enterprises. The main types of small businesses in the regions are small-scale trade, pharmacies, beauty salons, bakeries, cafes, bed and breakfasts, restaurants, hotels, private schools, and different fields of agriculture (fruit, poultry) etc. It was revealed that women involved in small businesses often complain about the inaccessibility of start-up capital and bank credits. The insufficient volume of the sales market and the competition existing there form another serious problem. The most unfortunate finding of the survey is that most of the women questioned have no opportunity to acquire new professional skills, which are highly necessary for the labor force in order to survive in the new conditions of the market economy.

The market economy has considerably changed women's share of paid work in the formal, as well as the informal sector. They mostly work in small-scale enterprises and still experience a great deal of discrimination, which is manifested in the fact that they are deprived of the opportunity to broadly participate in decision-making processes regarding economic issues; they are unable to exert control over the allocation of financial resources among various sectors; neither can they take part in the credit issuance policies of banks, nor in implementing fiscal policy.

There are quite interesting surveys in Georgia dealing with women's use of their time budget. Given the current Georgian reality, after regular work (paid work), women tend to engage themselves in activities in and around the home (unpaid work). What's more, women have to perform household tasks in extremely difficult conditions due to the acute deficit of electricity, natural gas and water, especially in the regions. Clearly, they have practically no time left for acquiring new skills, or taking part in social or recreational/leisure activities

The number of women in structures that determine economic policies is very low. Traditional gender roles place women at a severe disadvantage. Their prospects for career promotion are far less than those

of men and the existing social protection mechanisms (free nursery schools, aid extended to pregnant women, financial support to families, etc.) have yet proven unable to create such conditions that would improve this situation.

While entering into a labor agreement, employers consider it a negative factor, if a woman is married, has many children or a baby and therefore, women have less chances to get jobs in the private sector. Numerous incidences of violation of women's social-economic rights, as well as many cases of dismissal of women from work under discriminating motives have been registered at the Ombudsman's Office of Georgia. "The overwhelming majority of the population does not regard the judiciary system and the courts as an effective tool for protecting their rights. There is no law on dismissal from jobs on the disciplinary basis."*

Everyone is aware of the positive experience that the Trade Union has accumulated in protecting the labor rights of the population in different counties of the world. Georgian Trade Union, despite their frequent protests against ungrounded dismissal of men and women from jobs and their resistance to injustice, are still unable to help thousands of people that have been left without jobs.

It is worth noting that the Georgian trade unions, together with the International Labor Organization, have implemented a project on labor rights and collective bargaining with regard to gender issues. The Trade Union are devoted to continuing such work, which eventually will become an important lever for the protection of the rights of unemployed men and women.

Violence against women at their work places has become a rather serious problem. Because of the high rate of competition on the labor market women are afraid of losing their jobs and therefore, in most cases do not report abuse perpetrated against them, but on the other hand, everyone is aware that such acts are committed in different offices and

* The UN Convention on eliminating all Forms of Discrimination of Women /CEDAW/ the Assessment Report, Georgia, 2003, p.50

institutions. A prestigious and highly paid job, along with professionalism, puts forward extra discriminative requirements before women seeking employment, i.e. physical appearance, age. In cases of pregnancy, it often happens that the administration does not grant women the privileges they are entitled to by law.

All these factors impede the involvement of women in the private sector. It should be emphasized that women have a lot to contribute to business and it is to the detriment of society that their participation in this sphere is so limited. Equalizing the work opportunities of men and women requires a whole complex of measures, such as credits with discounts, micro financing, improving legal protection of women's labor rights etc.

The development of child care institutions, broadening the network of social services, the targeted training of women in enterprising activities (marketing, legal aspects, the tax system) are crucial in this respect. Also necessary is an active labor market policy directed toward the implementation of concrete measures facilitating the utilization of women and their labor potential in the most efficient way* This can be manifested in training women for work in non-traditional, but economically profitable sectors.

A mechanism must be found to ensure improved working conditions as well as opportunities for career promotion in all types of occupations - non-standard and informal activities in particular. Developed countries such as the Netherlands, Sweden, Japan, England, Germany and others have a vast experience in this field. It should be noted that through the help of international organizations in the sphere of women's enterprising activities, favorable conditions were created in Africa and the countries of South America.

Unfortunately, work of this kind has not yet started in Georgia. Therefore, it is necessary that women become aware of their rights and

be given the real opportunity to participate equally in the labour market, politics and the development of their society.

It is a fact that the education potential of women is equal to that of men in Georgia and therefore in conditions of proper support and assistance, it is guaranteed that women will turn into an important force in the private sector.

The recently adopted tax code has been praised by many analysts as being much more liberal than its predecessor. Tax reform should fully envisage gender issues, which will bring the informal sector out of the "shadow economy" and give it new legitimacy.

Facilitating women's employment is of paramount economic significance. For the purpose of implementing an active employment policy, it is important to study the labor market as thoroughly as possible; in view of the priority directions of business development, it is necessary to support various initiatives in enterprising activities, as well as enhance the training of men and women in professions, which will lead to real employment and prevent further gender segregation of the labor market.

* N. Turnava, Women in Transition Period, the UNDP, Tbilisi, 1998

Gender Aspects of Demographic Problems

It is generally acknowledged that the population represents the basis of any economic development. The issue of reproduction – where woman is the key figure – is crucial for the demographic development of the population. Our observations and analyses show that throughout history, periods of maximum female emancipation coincide with periods of the demographic flourishing of a society, which proves that these processes are closely interrelated.

The rate of women's emancipation greatly determines the stages of so-called "demographic transition." For a country with a population as small as Georgia's, normal demographic development is of vital importance indeed.

It is worth noting that during Soviet times, the declared recognition of women's rights brought about many positive results. The social guarantees and the stabilized macroeconomic policy gave certain priorities to women, though the area of their activities was highly limited, which in turn contributed to the segregation at the labor market.

The profound social-economic crisis, ethnic conflicts, the loss of the territorial integrity and the problems of the internally displaced population (IDPs) that characterized Georgia in the 1990's had a negative impact on the process of demographic development. The economic crisis entirely changed the reproduction habits of the population, bringing about a dramatic decrease of the rates of births and marriages, which in its turn catastrophically worsened the demographic situation in the country. In the years 1990-2000, the overall birthrate reduced from 17.0 per thousand to 8.9, whereas the death rate increased from 8.4 up to 9.1 per thousand.*

Existing statistical data do not adequately reflect the real situation, because for years there was a fee on the registration of births and deaths.**

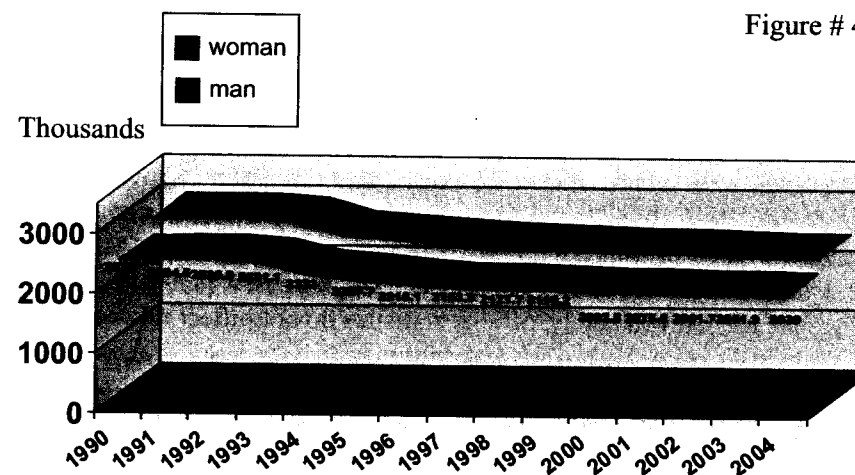
*Statistical Yearbook of Georgia 2001, Tbilisi, 2002, p. 39

** After the "Rose Revolution", registration of the birth and death rates of the population has become free of charge. (The author's note)

This deterred many from informing official bodies of these events, and in turn skewed the government's knowledge of these statistics. Further decrease in the population able to work and a sharp increase in the population of retirement age is anticipated given current trends. The amount of the population over 60 years old is 15.5 percent of the whole population of Georgia, whereas this aging process is more severe among women (18.4 percent) than among men (12.9 percent).

During the crisis in Georgia, the Gross Domestic Product declined by two thirds and the consumption of food calories per capita per day fell from 2,718 to 1,940. All this negatively influenced marriages, the number of children and ultimately affected the reproductive function of women, which resulted in a sharp decrease of the birthrate.

According to the 1989 Soviet Census showed the population of Georgia at 5,443,400, but according to the first census conducted by independent Georgia in 2002, the population dramatically fell to 4,355,400 – a decrease of about 1.1 million over 13 years, though others* maintain



* I. Abashidze, T. Antadze, The Labor Potential of Georgia and the Prospects of its Change, the almanac: The Problems of Demography and Sociology, Tbilisi, 2005, p.132

that Georgia lost up to 1.3 million people within this period. As a result the demographic base of the country's labor potential declined by nearly one fourth*

Table # 8

Distribution of the population over 15 years of age according to marital status in thousand*

	1995		2000		2002		2003	
	men	women	men	women	men	women	men	women
Total married	21 481	21 481	12 870	12 870	12 535	12 535	12 696	12 696
before Marriage among them:								
Unmarried	20 670	20 374	12 654	12 561	12 383	12 313	12 275	12 241
Widowed	177	304	66	103	44	94	72	83
Divorced	634	803	145	199	105	120	205	203
Unknown	-	-	5	7	3	8	144	169

More than 52.3 percent of the population of the country are women and more than 300,000 persons are internally displaced, the overwhelming majority of whom are women and children.

In 1999-2000, the birthrate was cut in half and practically equaled the death rate, which in its turn meant that the natural growth of the population had stopped. According to UN estimations, if this continues, the population of the country will fall to a scant 2 million in 2050. The existing situation has had a huge impact on marriages, which have reduced by one half. Unfortunately, official statistics do not reflect this situation, because the registration of marriages and divorces is not properly organized. The age of those willing to create families has considerably increased. In 1950-1959, only one in 49 marriages ended in divorce, whereas today, every seventh marriage ends in divorce - a rather alarming indicator

Along with the decrease in the overall birthrate, the birthrate of girls has fallen far behind that of boys. In 1989 there were 105-106 boys

born to every 100 newborn girls. The gender disproportion deepened greatly in the 1990's and now, this ratio stands at 119 boys to 100 girls, although, there exist other data as well, which are derived from the census of 2002.*

In Georgia, as elsewhere in the world, prenatal diagnostics of sex has become a widespread practice, which in turn has a great influence on gender demographics. The desire to have a male heir is still very strong in Georgian families and in families with only a few children, sons are often given priority. A similar tendency can be observed in many countries throughout the world.

Nobel Prize winner Amartya Sen indicates that: "In earlier days, when parents were expecting a baby, the desire to have a son was only manifested by the sheer wishes of the parents, but since it has become possible to determine sex prenatal, an undesired pregnancy can be stopped by abortion, which is the technical sexism in the world"*** So far, the negative social result of gender disproportion formed in babies is not tangible, but it will be urgent to change the public attitude towards this phenomenon, in which the church should play a central role.

Academician L. Chikava considers that: "In terms of the regeneration of the population in the country, the situation is rather alarming. The main factor hindering the normalization of the demographic situation is material poverty, whereas until the 1990's, the number one reason hindering reproduction was risks to the health of a woman of childbearing age.***

It must be kept in mind that because of the deficiency of demographic growth and the lack of necessary resources for creating a family, the process of forming a new family has become very complicated.

* Population Prospects of Georgia, The 2003 Revision, UNFPA, Tbilisi, 2003

G. Tsuladze, The Problem of Birthrate in Georgia, in the 21st Century, 2004, p.132

** Radcliff-Quarterly, notes, 2001, p.3

*** L. Chikava, The Acute Demographic Situation and the Urgency of Active Demographic Policy in Georgia, the almanac: Problems of Demography and Sociology, collection of works, Tbilisi, 2004, p.16 (in Georgian language)

* State Department For Statistics of Georgia, 2004

The aging of the world population is already an acknowledged global phenomenon, but in Georgia, it is underway at a particularly fast pace. The gender disproportion of demographic development reveals itself more vividly in an aging society:

- There are more women among the elderly population and more that one third of them are widows.
- The population of pension age is 68.4 percent women.
- The rate of single persons is gradually increasing among the elderly, with women prevailing among them.

Table # 9

Distribution of ages of Georgia's population according to sex, 2002*

Age	Women	Men
Under 10 years	8,9	10,8
10-20	14,5	16,5
20-30	15,1	15,7
30-40	12,7	14,0
40-50	15,1	14,3
50-60	10,5	10,5
60-70	11,1	10,0
70-80	8,7	7,0
80-90	2,9	0,9
Older than 90	0,5	0,2
Average age	39,5	36,3

* Households of Georgia 2002-2003, SDS, Tbilisi 2004 page 22

Most significant is the tendency of aging among women of fertile age in Georgia. Almost half the women belonging to this group are more than 36 years of age, which negatively impacts the birthrate of the country. In today's Georgia, the share of people over 80 among those older than 65 amounts to 13.2 percent. Such is the tendency in South Korea, Pakistan, China and Thailand.*

Women live longer than men in Georgia. Life expectancy for women is 79 years, but 69-70 for men, which is quite close to European indicators. Many worry that in near future the state will be unable to provide economic assistance and medical care to the elderly population of the country because the number and rate of elderly people will grow further in this century and create numerous extra social problems and therefore, the role of the state is of paramount importance in the resolution of this impending crisis. It should be emphasized that the macroeconomic stability of the country is also a necessary precondition for insuring firm income and guaranteed healthcare for the population.

Elderly people are economically dependent on society. Regrettably, social policy in Georgia is very weak and is hardly able to meet even elementary requirements. The miniscule sum of money (28 Gel) that pensioners receive is of little more than symbolic meaning, but guaranteed income is a problem not only for pensioners, but for the younger members of the family as well.

According to household surveys, the number of one-member families amounts to 12 percent, families with two members - 16.8 percent, three members - 16.1 percent, four members - 21.7 percent, five members - 16.1 percent and six and more members - 16.8 percent.

In the past, families consisting of several generations were dominant in Georgia and often three and sometimes four generations of family members lived together at one time. During the last decades, the number

* M. Shelia, The Peculiarities of aging among the Population of Georgia, from almanac: "Problems of Demography and Sociology", Tbilisi, 2004, p.132 (in Georgian language)

** The Materials of Statistics Department of Georgia, 2004 (in Georgian Language)

of persons living alone has grown considerably and the structure of the family has undergone a fundamental evolution.

The process of so-called “nuclearization,” (the transition from complex to simpler families) took root. Families of complex structure are more frequent in the villages than in cities. In cities families largely consist of four members.

The socioeconomic crisis underway in the country has had a huge impact on the living conditions of the population; in the course of the restoration of independence of the country, financial-economic problems were considered of priority and little attention was paid to the resolution of social problems; the macroeconomic policy of the country was not socially oriented and the domination of the financial capital in economics caused the reduction of budget resources as well as hypertrophy in the development of social policies, which fell victim to the financial-political battle. Social policy is the basis of national security and it is impossible to detach it from economic policy.

It is natural that the incompetent political policies pursued by the government and the sharp reduction of social security mechanisms played a role in the process of depopulation, in the course of which the health care available to the population considerably worsened and the number of people unable to engage in active labor activities dramatically increased; these people are in urgent need of medical rehabilitation; the elderly population lives in extremely hard conditions and is at high risk of poverty, whereas in many foreign countries, elderly groups of the population are protected from poverty by various social, as well as private pension programs.

Socioeconomic programs in Georgia are not structured with respect to gender. The targets of said programs are either the whole population or its separate groupings, which are classified according to different status: the able-bodied population (salaries), pensioners (pensions), the unemployed, the poor, the disabled, internally displaced people (assistance) etc. Despite the declaration of a policy of equal rights and

opportunities, gender equality issues are still neglected in these programs.

The newly begun pension reform is causing a lot of anxiety as well, as instead of the principle of proportional distribution, it envisages the implementation of the principle of accumulation, by way of which gender disproportion will presumably become more profound. If the principle of accumulation is adopted, the amount of women’s pensions, which will be calculated according to the accumulated insurance installments, will be less than the men’s pensions.

In compliance with the preliminary calculations, it is speculated that the amount of women’s pensions will equal 40-60 percent of men’s pensions and that will happen for three reasons: a) lower wages of women (half as much), b) long-term suspensions of work activities (three year leave for the birth and rearing of one child with pay for only 4 months), c) the different amount of the remuneration in the commercial (primarily men) and state (primarily women) sectors, which is caused by the indexation of the pension capital and the pensions.

The process of demographic revival is a necessary precondition of Georgia’s further development. Macroeconomic policy must take in view a whole complex of measures that will facilitate the resolution of the existing demographic problems and the definition of such a social policy that will provide sustainable development in Georgia.

Labor Migration

As it has already been mentioned, the globalization process has considerably influenced the structure of employment in Georgia. On the international market, the demand for women's work as a relatively cheap labor source has greatly increased. Therefore, the number of women and their share among labor emigrants has become quite substantial. Feminization is considered to be a new stage in the development of working emigration and is regarded as a big progress on the road of achieving gender equality.*

Before 1990, the migration of Georgian women abroad to work was highly uncommon. It was totally unacceptable for the Georgian mentality that a woman would leave her family and go abroad to earn a living. But the existing reality and the deep social crisis, as well as the sharp fall in the standard of living made labor migration one of the ways for the population of Georgia to meet at least their most basic physical needs. This gave way to the broad involvement of women in labor migration.

The gender structure of the labor emigrants shows explicitly that the coefficients of men and women's participation in the process have become almost equal. 48.7 percent of the labor emigrants are women and 51.3 percent are men.** This has caused the development of rather unfavorable tendencies in Georgian society, such as breaking family traditions, violence, infringement of the working rights of women and the spread of trafficking across the country. According to experts' assessment and according to data obtained through relevant research, about one million citizens have left Georgia and the overwhelming majority of them are the labor emigrants. Of course, in their destination countries, their social and economic rights were infringed to an even greater extent.

*Castles S., Miller J., The Age of Migration, International Population, Movements to the Modern World, London, 1993.

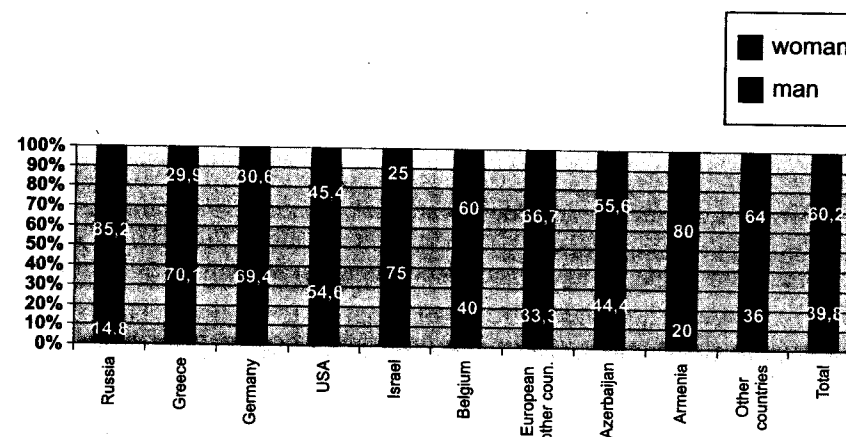
**L. Beridze, The Working Migration in Georgia and its Main Social-Demographic Features, Tbilisi, 2003, p.149 (in Georgian Language)

In developing countries all over the world, women have had to move to a lower stage of the service infrastructure, and therefore the majority of them are obliged to work as nurses, shop assistants, waitresses, and in other unskilled positions. In the free economic zones of the countries of South Asia and Eastern Africa, women constitute 80 percent of the total labor force (cheap working force). A great many of them are labor migrants and are involved in the entertainment industry, mostly in prostitution.

The main destinations of women emigrants from Georgia are Greece - 24.3 percent, Germany - 23.5 percent, the USA and Russia - 14.3 percent each. The chart below illustrates that there are radical differences between male and female Georgian labor emigrants in the choice of destination country.

Figure # 5

The gender structure of Georgian labor emigrants by country
(in percentage)



One problem of special concern is the so-called "brain drain." On the whole, the level of education of the labor migrants from Georgia is quite high and as a result, the country is losing a large number of highly qualified specialists, although it proves impossible to offer occupation to these people in present-day Georgia.*

The majority of labor emigrants from Tbilisi and Rustavi, two of the country's largest cities, are women. The key reason is the high demand for women's labor on the international labor market. Relevant surveys have shown that women are often more prepared for working abroad than men. They take special courses in professional training and foreign languages.

In 2003, with the assistance of the International Organization of Migration, the Association of Economic Education conducted a study of labor migration in a number of regions of the country.⁴ The survey revealed several interesting tendencies. Labor emigrants employed mostly in the service sphere (nurses – 33.1 percent, nannies – 9.2 percent, waiters – 4.3 percent, housekeepers – 9.2 percent, shop assistants – 5.5 percent). It is worth noting that young female labor emigrants sometimes even manage to get an education while working in these sectors.

The demand for women's labor is continuously increasing; many advanced countries even develop special programs for young women, for instance, Germany, France (language courses combined with working in families as nannies), in order to attract a maximum amount of labor from the developing world.**

The constant growth of international trade requires a cheap labor force and women were given priority mostly in the spheres of trade and services, though it has to be emphasized that they do not possess any mechanisms for protecting their labor rights and therefore, often fall victim to trafficking. The above-mentioned study confirmed that the migration

* Labour Migration from Georgia, 2002 (in Georgian Language)

** T. Sabedashvili, "Women in the Decade of Transition/The Case of Georgia/ Tbilisi, 2002, 51-52

of married women is caused by extremely dire socioeconomic conditions, which have a negative impact on the family and demographic development. Women are more sensitive and vulnerable to living away from their families than are with men.

It often happens that migrant women with small children are obliged to take care of children from other families, whereas their own children are taken care of by relatives in their home country. 27 percent of women labor emigrants have husbands and 37 percent have children left behind in Georgia. The financial assistance women provide to their families while working abroad is quite significant. According to the survey, they send to their families an average of USD 40 more than men.

The re-emigration potential of married women is considerably higher than that of men. As for unmarried labor emigrants, the chance of staying in the foreign country is higher for women than for men. The increase in the number of women working abroad has considerably changed the structure of the family and the role functions of its members. Cases of family violence have also increased. The moral influence of the family over the children and young people has been weakened; oppressive economic and social factors have caused the spread of different undesirable phenomena in the country, such as begging, trafficking, prostitution and other criminal activities, women being the majority of victims of such violence.

It is very difficult to make an assessment of the number of women, involved in the sex industry, as there is no official information available on this subject, though there are specific cases that show that they are involved in this sector. As has already been stated, the majority (57.5 percent) of women working abroad are doing so illegally and thus are unable to return home without jeopardizing their ability to make a living abroad.*

A large-scale and complex study of working migration, which is going to lay the foundation to designing the strategies and concrete

• Labour Migration from Georgia, 2002 (in Georgian Language)

regulatory mechanisms of the migration policies in Georgia, will contain rather important solutions. A law “on migration issues” has already been put forward and in the near future, it will be adopted by the Parliament of Georgia. A state policy on labor migration will enhance the legalization of labor migration and will bring about the increase of its socioeconomic effectiveness.

Conclusions

The scientific study of issues related to gender economics is of paramount importance. Gender economics reviews the influence of the different socioeconomic statuses of men and women in the process of making political and economic decisions. It will also reveal the necessity of gender equality principles for the economic development of the country.

The transformational processes underway in the country have greatly influenced the development of gender equality. As a result of neo-liberal economic policy, restructuring has taken place in the various fields of the economy. The implementation of a macroeconomic policy that did not consider social factors brought about a sharp decrease of social guarantees and a mass exodus of women from production facilities.

The militarization of countries and the aspiration to achieve economic and political hegemony, the increase of masculine influence in all spheres of state policy and ever-pervasive violence have claimed mostly women and children as their victims. The sectors of the economy in which women traditionally prevailed changed dramatically.

Gender inequality in terms of the accessibility of resources, has become even more acute and women’s security and the protection of their labor rights have become considerably worse. The socioeconomic situation and gender-neutral policies pursued in many countries puts specific barriers before women in achieving a successful political and professional career.

In the course of economic globalization, important reforms have been launched in Georgia; numerous interesting projects are underway, which are supported by the UN, EU, OSCE, WB, ILO, IOM and many other international organizations. The successful realization of these projects will considerably increase the economic welfare of the country and stimulate the influx of investments as well as the growth of the productivity of the population.

Gender parameters have been entered into the state program of Georgia on Economic Development and Poverty Reduction.* The optimum use of the existing labor force and the intellectual capabilities there of, the increase of women's participation in these processes, as well as the implementation of an active state policy on the labor market will lead to the emergence of new jobs, the stimulation of employment and the growth of material income.

These processes will greatly assist in improving welfare of the population of the country. It is of paramount importance to improve the legal basis of labor relations taking into consideration gender issues and to provide the social security as well. The acquisition of new technologies and the development of professional skills will ensure the increase of women's political and economic activities. A gender-targeted macroeconomic policy and the integration of a gender budget in the state budgeting process will assist in establishing gender equality and the principles of justice in Georgia.

The political, socioeconomic and qualitative changes now underway in the country represent a good basis for the improvement and development of gender-projected state institutional mechanisms. It is only by way of joint efforts on the part of the state and the civil society that gender equality will be achieved in the country, which in its turn is a necessary prerequisite of democratic and economic development.

*Economic Development and Poverty Reduction Program of Georgia, 2003 Tbilisi, p.66