

Gender Pay Gap in Georgia

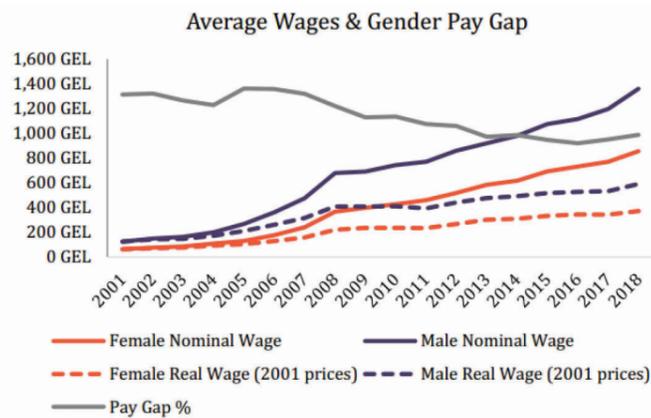
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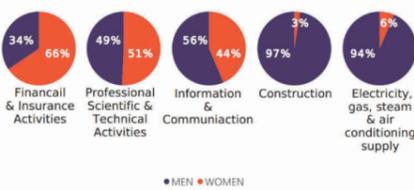
Gender pay gap has become a prominent issue across the world. Indeed, women on average earn 25% less than men in a number of Western countries. This gap has negative effects not only on society as a whole, but also on economic growth. According to McKinsey & Company, achieving gender parity could increase the economy by two digit percentage points.

Currently, the average wage for men in Georgia is 1360.5 Lari and for women it is 856.2, meaning the gender pay gap of 37%. Back in 2001, average female worker's salary was half of men's. From 2001 to 2013, the gap fell from 51% to 36%, before gradually rising to 37% today. If the aforementioned trends of the last 10 years continue, it would take 30 years to completely eradicate the gap. But with the past 5 year trends, women's and men's average wages will never converge. Furthermore, if we take prices into account, we see that women's current average salary is similar to men's salary in 2008. Thus, roughly speaking, women are 10 years behind when it comes to their salaries. (Graph 1)

One of the drivers of the gap is the different gender distributions across different sectors, as women mostly work in low-paying sector. Men significantly dominate



Highest Paying Sectors By Ratio Of Genders 2018



Lowest Paying Sectors By Ratio Of Genders 2018



Average wage in GEL by sector, gender and respective actual and adjusted pay gaps (2018)

Sectors	Women's Monthly Wage	Men's Monthly Wage	Actual Pay Gap	Women's Hourly wage	Men's Hourly Wage	Adjusted Pay Gap
Agriculture, forestry and fishing	777	718	-8.10%	7.58	5.72	-32.53%
Human health and social work activities	884	1313	32.65%	4.95	6.82	27.47%
Construction	1328	1802	26.35%	7.34	8.41	12.78%
Wholesale and retail trade	784	1271	38.32%	3.78	6.01	37.07%
Transportation and storage	1047	1452	27.84%	5.77	7.10	18.72%
Accommodation and food service activities	781	1038	24.78%	3.61	4.36	17.10%
Information and communication	1446	1986	27.17%	8.59	10.22	15.96%
Financial and insurance activities	1499	3461	56.70%	8.32	18.36	54.66%
Real estate activities	793	1267	37.39%	4.69	6.50	27.85%
Professional, scientific and technical activities	1421	2355	39.66%	8.94	12.98	31.08%
Administrative and support service activities	1073	969	-10.74%	5.92	4.29	-37.98%
Public administration and defence	1178	1307	9.86%	6.61	5.89	-12.15%
Education	582	665	12.49%	4.77	4.34	-9.75%
Arts, entertainment and recreation	865	1134	23.75%	5.11	6.72	24.02%

high-paying sectors such as: construction, Information & communication and electricity, gas, steam & air conditioning supply. Meanwhile, women outnumber men in Education, Accommodation & Food Service Activities, which are one of the lowest-paid sector. In particular, Education sector where 82% of employed are female, is notorious for having lowest average salary of 600 Lari. (Graph 2)

The disparity in wages can also be explained by differences in working hours. As data shows, women on average work

less compared to men. After calculating hourly wages, the gender pay gap has decreased in all sectors, except the Arts, entertainment and recreation sector, which increased from 23.75% to 24.02%. Interestingly, in Public administration sector and Education sector the gender pay gap has been reversed whereby women now earn 12.15% and 9.75% more than men per hour. (Table 1) Another important factor which contributes to the pay gap is differences in the nature of work performed. Notably, in Financial and Insurance Activities, where the pay gap is 56.7%, 74.2% of women work in clerical support roles, while only 56.2% of men in the same sector occupy the same low-paid jobs. However, when it comes to high-paying jobs, 6.6% of women are designated as professionals, while men outnumber women by 2 to 1 in this sector, by ratio. Unfortunately, it is impossible to determine what the gender pay gap would be with the above-mentioned factor taken into account, as there is no precise data available on wages for different occupations. Yet it might be regarded with certainty that significant part of the pay gap is caused by different amount of hours spent at work by men and women and different career choices made by boys and girls. It is of note that even with the adjusted hourly wages (accounting for the differences in the hours worked), the pay gap still persists. The analysis of factors contributing to these differences which eventually result in the gender wage gap is beyond the scope of this newsletter and requires a more qualitative approach to the matter.

How alcohol prices vary across the EU



Source: Eurostat dataset prc_ppp_ind

ec.europa.eu/eurostat

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In 2018, the price of alcoholic drinks across the European Union (EU) was more than twice as high in the most expensive Member State than in the cheapest one.

When price levels in countries are compared with the EU average price level index of 100, the results show that in 2018, the price of alcoholic drinks (spirits, wine and beer) was highest in Finland (with a price level index of 182), followed by Ireland (177) and Sweden (152).

Infographic showing highest and lowest price levels for alcohol relative to the EU average, 2018

In contrast, the price levels for alcoholic drinks in 2018 were lowest in Bulgaria and Romania (both with a price level index of 74) followed by Hungary (77).

Industrial producer prices up by 0.2% in euro area

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lands (-0.4%) and Latvia (-0.3%).

In July 2019, compared with June 2019, industrial producer prices rose by 0.2% in the euro area (EA19) and by 0.3% in the EU28, according to estimates from Eurostat, the statistical office of the European Union. In June 2019, prices decreased by 0.6% in the euro area and by 0.7% in the EU28.

In July 2019, compared with July 2018, industrial producer prices rose by 0.2% in the euro area and by 0.6% in the EU28.

Industrial producer prices in the euro area in July 2019, compared with June 2019, rose by 1.0% in the energy sector and by 0.1% for capital goods, while prices remained stable for durable consumer goods and non-durable consumer goods, and fell by 0.3% for intermediate goods. Prices in total industry excluding energy fell by 0.1%.

In the EU28, industrial producer prices rose by 1.3% in the energy sector, by 0.2% for capital goods and by 0.1% for durable consumer goods, while prices remained stable for non-durable consumer goods and fell by 0.3% for intermediate goods. Prices in total industry excluding energy fell by 0.1%.

The highest increases in industrial producer prices were recorded in Cyprus (+1.7%), Bulgaria (+1.5%) and Finland (+1.4%), while the largest decreases were observed in Belgium (-1.0%), the Nether-

Annual comparison by main industrial grouping and by Member State

Industrial producer prices in the euro area in July 2019, compared with July 2018, rose by 1.5% for capital goods, by 1.4% for durable consumer goods and by 1.0% for non-durable consumer goods, while prices fell by 1.7% in the energy sector and by 0.2% for intermediate goods. Prices in total industry excluding energy rose by 0.6%.

In the EU28, industrial producer prices rose by 1.6% for capital goods, by 1.5% for durable consumer goods, by 1.3% for non-durable consumer goods and by 0.2% for intermediate goods, while prices fell by 1.0% in the energy sector. Prices in total industry excluding energy rose by 0.9%.

The highest increases in industrial producer prices were recorded in Romania (+6.2%), Bulgaria and Latvia (both +4.0%), while the largest decreases were observed in Denmark (-3.0%), Portugal (-1.3%), Spain and Italy (both -0.8%).