

draft Final report

REGULATORY IMPACT ASSESSMENT

C156 – Workers with family responsibilities convention

DRAFT

Thursday, October 01, 2020

# Abbreviations

|  |  |
| --- | --- |
| CSO | Civil Society Organization |
| EMC | Human Rights and Monitoring Center |
| GDP | Gross Domestic Product |
| GeoStat | National Statistic Office of Georgia |
| GoG | Government of Georgia |
| HH | Household |
| IDP | Internally Displaced Person |
| ILO | International Labour Organization |
| LEPL | Legal Entity of Public Law |
| LFP | Labour Force Participation |
| LFS | Labour Force Survey |
| MoE | Ministry of Education, Science, Culture and Sports of Georgia |
| MoLSHA | Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia |
| NPV | Net Present Value |
| RIA | Regulatory Impact Assessment |
| SNA | System of National Accounts |
| UNDP | United Nations Development Program |

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# Executive summary

The aim of this Regulatory Impact Assessment (RIA) is to provide technical assistance to the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia (MoLSHA) and other respective national institutions in the process of the ratification of the International Labour Organization (ILO) #156 convention (Convention of the Workers with Family responsibilities).

According to the #156 convention, the definition of *worker with family responsibilities* is twofold, concerning: (1) responsibilities towards one or more dependent children and (2) responsibilities towards other members of the immediate family.[[1]](#footnote-1) Georgia has not ratified the convention 156 yet, and its legislation does not contain the definition of worker with family responsibilities. However, the term is partially applied, both for employees of the private and of the public sectors.

Having family responsibilities is an important factor influencing the labour market outcomes of individuals in working age. ILO convention 156 highlights the fact that family responsibilities can constitute an important constraint for workers, as they usually conflict with labour market responsibilities, potentially leading to worse labour market outcomes (e.g. discrimination at hiring, lower pay, higher risk of inactivity, etc.). Family responsibilities – including care work – are also one of the reasons behind gender gaps in the labour market, as family responsibilities fall disproportionately on females in working age[[2]](#footnote-2).

Creating equality of opportunity and avoiding conflicts between job and family responsibilities, as well as discrimination at the workplace, are the major aims of the convention. ILO convention 156 and associated recommendations (165), also stress that states should take into account the needs of workers with family responsibilities when engaging in community planning, and develop and/or promote community services, public or private, such as child-care and family services and facilities.[[3]](#footnote-3) In this context, the development of community services and care facilities is envisioned as one of the solutions for eliminating discrimination and inequalities associated with workers’ family responsibilities. This is the focus of this Regulatory Impact Assessment, as demanded by the tripartite working group (employer ‘association, trade unions and government)[[4]](#footnote-4).

Because many parties were expected to be affected by the potential policy changes in the sector, during the given RIA exercise, the team approached a large number of stakeholders, whose opinions were carefully taken into consideration during development of the report (Table 1).

A summary of the positions of different stakeholders is represented in the Annex 2.

**Table 1. Stakeholder Influence-Interest Matrix**

|  |  |  |
| --- | --- | --- |
| **INFLUENCE/ INTEREST** | **LOW INFLUENCE** | **HIGH INFLUENCE** |
| **Low Interest** | Labour market experts  Human Rights NGOs/ Foundations | Ministry of Finance |
| **High Interest** | UN Women  UNFPA  UNDP  Gender experts  Gender Council of the Parliament  Private employment agencies  EMC  Care Centers (for disabled, elderly)  Kindergartens  Special schools for disabled children  Workers with family responsibilities | Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia  Labour Inspectorate  Parliament of Georgia: Committee for Health and Labour Issues  Trade Union  Employers association  Ombudsmen  Municipalities |

The RIA team has also reviewed a substantial amount of relevant literature (national as well as international) and analysed the data available. This has led to the confirmation that today, in Georgia, there is an insufficient provision of/limited access to good quality community services for workers with family responsibilities.

Among the major causes of the problem are:

1. Existing challenges in the childcare and preschool education system, including:

* Infrastructural conditions of the preschool education institutions;
* Availability and accessibility of the preschool education institutions;
* Working hours of the public kindergartens;
* Only one-fourth of the maternity leave period is mandatory to be remunerated by the state and the remuneration is quite low.

1. Problems in the system of care of elderly and persons with disabilities:

* The existing services of elderly care does not respond to the needs of the workers with family responsibilities;
* The public day-care centers are insufficient when taking into account the number of elderly people;
* Care centers do not address the needs of the persons with disabilities.

1. Gender wage gap, social norms and gender stereotypes:

* Insofar as women earn less than men, when the need arises for some wage earner in the household to devote part of his/her time to take care family members – especially in absence of a proper external support system - women are the first candidates to step in;
* In Georgia household tasks and domestic responsibilities remain the primary domain of women – for instance, 86% of washing and cleaning, 74% of cooking and 49% of childcare activities are performed by women;
* The Georgian society is characterized by well established - traditional - gender roles (the unequal distribution of the housework is considered as a normal even by women), which play an important role in maintaining the current distribution of the family responsibilities.

1. The private provision of services for workers with family responsibilities is currently an option only for a minority of households, those with higher incomes.

The analysis performed also suggests that, in absence of a new (evidence-based) policy approach to the issue, the challenges faced by most workers with family responsibility will be increasing over time, with potentially substantial negative social and economic consequences.

Therefore, on the basis of the mandate received by the tripartite working group, the results of the consultation process and of the problem definition exercise, the RIA team identified *ensuring the provision of a sufficient quality and quantity of affordable childcare and family services, and facilities, to support current and potential workers with family responsibilities* as the general objective of the policy actions to be assessed in the context of this RIA.

Following the definition of the general objective, three main specific objectives were identified:

* Enabling the provision of affordable childcare and family services and facilities to address the needs of workers with family responsibilities;
* Ensuring sufficient availability of childcare and family services and facilities to address the needs of workers with family responsibilities;
* Developing the awareness within the society about the available childcare and family services and facilities.

Based on our analysis, the first crucial step and key prerequisite to addressing the problem properly and achieve the above-mentioned objectives, is to gather the data necessary to develop a – currently missing – nationwide strategy to ensuring the provision of a sufficient quality and quantity of affordable childcare and family services, and facilities. This is meant to allow the quantification of the optimal quantity and composition of community services for workers with family responsibilities, particularly with references to the increasing non-care related family responsibilities.

Consequently, the RIA team identified and compared the two following policy options (alternative to the status quo):

1. Centralized development of the strategy and implementation plan of the childcare and family services.
2. Development of municipal strategies and implementation plan of the childcare and family services with national guidelines.

The results of the Multi-Criteria Analysis that was performed are summarized in Table 2, below.

**Table 2. Comparison of Options Using Multi-Criteria Analysis**

|  |  |  |
| --- | --- | --- |
| **EVALUATION CRITERIA** | **Option 1 – Centralized Strategies and Action Plans** | **Option 2 – Municipal Strategies and Action Plans** |
| **Incremental Costs for the Government (GEL)** | 491,406 | 4,469,056 |
| **Effectiveness 1 – affordability of care services** | 1 | 2 |
| **Effectiveness 2 – sufficient availability** | 1 | 2 |
| **Effectiveness 3 – increased awareness** | 1 | 1 |
| **Feasibility / Ease to comply** | -2 | -3 |
| **Minimization of Potential Risks** | 1 | 1 |
| **Maximization of Potential Benefits** | 2 | 2 |

The multi-criteria analysis shows that both options potentially lead to improvements compared to the status quo scenario. This is due to the fact that the current approach of the government towards the development of the care sector is sporadic and primarily concerned with childcare services, while the increasing challenges faced by workers with family responsibility require a better informed, more structured and more comprehensive approach. The creation of a comprehensive strategy for the development of care services and facilities oriented towards satisfying the needs of workers with family responsibilities could remove the barriers faced by workers with domestic responsibilities, by creating a better match between service provision and actual demand. Benefits appear to be larger for option 2, mostly due to more tailored approach towards the needs of local communities. However, the bottom-up approach suggested in option 2 also results into higher difficulty in the implementation and in substantially higher implementation costs.

To keep track of the performance the reform, its impacts and modify the reform in case of any deviation of the outcomes from the desired path, it is important to evaluate how well it responds to the policy objectives set in section III. The indicators suggested to evaluate the performance of the system are divided into three main categories: provision of affordable care services and facilities, availability of care services and awareness of the society about the available care services and facilities. The detailed description of the monitoring and evaluation plan is presented in the Monitoring and Evaluation section of the report.

# Problem Definition

## Policy Context

*Legal Framework*

The scope of the Convention 156 is broad. In article 3, the Convention states that “With a view to creating effective equality of opportunity and treatment for men and women workers, each member shall make it an aim of national policy to enable persons with family responsibilities who are engaged or wish to engage in employment to exercise their right to do so without being subject to discrimination and, to the extent possible, without conflict between their employment and family responsibilities”.

The Convention also suggests several areas in which countries could act to create effective equality of opportunity and treatment for men and women workers:

* Through the definition/establishment of workers’ right[[5]](#footnote-5);
* Through the assessment and satisfaction of workers’ needs in terms and conditions of employment and in social security[[6]](#footnote-6);
* Considering the needs of workers with family responsibilities in community planning[[7]](#footnote-7);
* Developing and promoting promote community services, public or private, such as child-care and family services and facilities[[8]](#footnote-8);
* Promoting information and education to engender broader public understanding of the principle of equality of opportunity and treatment for men and women workers and of the problems of workers with family responsibilities, as well as a climate of opinion conducive to overcoming these problems[[9]](#footnote-9);
* Other actions to enable workers with family responsibilities to become and remain integrated in the labour force, as well as to re-enter the labour force after an absence due to those responsibilities[[10]](#footnote-10).

The International Labour Organization’s (ILO) Workers with Family Responsibilities Convention (156) defines the notion of worker with family responsibilities and, therefore, establishes the scope for the enshrined standards. According to the convention, the definition of worker with family responsibilities is twofold, concerning: (1) responsibilities towards one or more dependent children and (2) responsibilities towards other members of the immediate family.[[11]](#footnote-11) According to the convention, it is the responsibility of the ratifying country to set an exact definition for dependent child and the member(s) of the immediate family. However, it is not totally in the margin of state’s appreciation (it should comply with the convention standards).[[12]](#footnote-12) Introducing this definition in the legislation is not the only way to address the rights of workers with family responsibilities. Their rights could be guaranteed in the legislation also without this definition. However, the introduction of the definition could potentially constitute the basis for some special entitlements and treatments.

Georgia has not ratified the convention 156 yet, and its legislation does not contain the definition of worker with family responsibilities. However, there is a partial recognition of such responsibilities, and there are related provisions in the legislation, applicable both to employees of the private and of the public sector. The Labour Code, for example, contains the provision of additional childcare leave of absence, which is not limited to parents and covers any worker. [[13]](#footnote-13) For public sector employees, in line with the provisions of the Labor Code, the regulations are mostly focused on child care responsibilities (for example, maternity and child care leave of absence; additional breaks for nursing mothers)[[14]](#footnote-14). There are no other obligations in the Georgian legislation, either for the public or the private sector, to allow leave of absence for care responsibilities towards other dependents, such as older people and persons with disabilities.

A full assessment of the potential impacts of the full implementation of Convention 156 is beyond the scope of this Regulator Impact Assessment (RIA) exercise. Instead, in accordance with the decision taken by the tripartite working group (employer ‘association, trade unions and government)[[15]](#footnote-15), this RIA will explore the problems related to the provision of family services, and discuss and compare the most relevant options identified to address such problems.

As mentioned above, convention 156 stresses that states should take into account the needs of workers with family responsibilities when engaging in community planning, and develop and/or promote community services, public or private, such as child-care and family services and facilities.[[16]](#footnote-16) Those obligations are subject to progressive realization. For Georgian context it would mean to cope with the problem of affordability and accessibility of community service facilities. The government would need to strengthen its policy towards ensuring proper community services, such as child-care (supporting the existing programs or creating services for some regions) and family services (affordable and accessible day-care centers for the elderly, persons with disabilities).

In relation with community infrastructure, Georgia has already ratified a different convention, the UN Convention on Rights of Persons with Disabilities. This obliges the state to implement several standards, including Reasonable Accommodation. According to this standard, necessary and appropriate modification and adjustments should be taken if they do not impose a disproportionate or undue burden (on the employer). According to the committee interpretation, reasonable accommodation should be available for the family member(s) of the person with disability. Unfortunately, this right does not exist in Georgian labour law.

*Early Childhood Care and Education in Georgia*

In Georgia, early childhood care policy is addressed and exercised at central as well as at local self-governmental levels. The following core legal acts cover this issue: Constitution of Georgia and the Law of Georgia “On Early and Preschool Education” (plus other regulations and subordinate laws that are also in force). The law on early and preschool education sets the institutional framework for the public and private childcare facilities.

The Government of Georgia (GoG) enacts subordinate laws, organizes and coordinates the process, ensures that existing programs are accessible, and establishes the rules of authorization of the institution. Furthermore, the GoG approves state standards for early and preschool education and approves the professional standards of the caregiver-teachers. Lastly, it also approves technical regulations and facilitates the infrastructural development of the institutions, etc.[[17]](#footnote-17)

The Ministry of Education, Science, Culture and Sports of Georgia (MoE) drafts the regulations that the GoG approves, develops training modules for the professional development of caregivers-teachers, helps municipalities to train them, promotes the process of informing the public about inclusive preschool education and other related issues.[[18]](#footnote-18)

The Ministry of Internally Displaced Persons (IDPs) from the Occupied Territories, Labour, Health and Social Affairs of Georgia drafts technical regulation for GoG’s approval and participates in child protection proceedings, following child protection referral procedures.[[19]](#footnote-19)

Municipalities have a wide range of powers and are the main implementers of the system of early childcare and education. It is the responsibility of Municipalities to ensure the provision of pre-school education services. The system aims to be equally accessible and inclusive, and ensure the protection and respect of the rights of the child and his/her parent/legal representatives in the process. Municipalities also develop monitoring, evaluation and reporting systems, and ensure the compliance of preschool education services with authorization standards.[[20]](#footnote-20) For this purpose, most municipalities have kindergarten unions, organizations that supervise the kindergartens within the municipality.

Lastly, the *Legal Entity of Public Law (LEPL) National Food Agency* has its role in supervision and quality monitoring of food standards in the kindergartens within their competence.[[21]](#footnote-21)

*Family Services in Georgia*

The Ministry of IDPs from the Occupied Territories, Labour, Health and Social Affairs is the main actor, which executes the state policy towards elder people and persons with disabilities. According to its statute, the ministry drafts and approves standards of various specialized institutions (day centers, community organizations, etc.).[[22]](#footnote-22) Furthermore, municipalities try to respond to the needs of those groups. However, due to their budget constraints, the municipalities have a limited ability to provide social support to these groups.

## Problem Definition

Having family responsibilities is an important factor influencing the labour market outcomes of individuals in working age. Labour force participation, employment and wages can be substantially influenced by the workers’ need to combine family responsibilities with work. Family responsibilities are frequently associated with a wide variety of the unpaid care work, that has many different definitions internationally (Falbre 2007), from provision of care services to dependents, to cooking, housekeeping, and self-care. In this regulatory impact assessment, we concentrate on the work associated with care for the dependent children and other immediate family members, that could potentially constrain female and male workers in their jobs. This type of family responsibilities and care work are identified as an important constraint for workers in ILO convention 156. Family responsibilities are often a reason behind inequalities between female and male workers, or even their discrimination. *Creating equality of opportunity* and *avoiding conflicts between job and family responsibilities, as well as discrimination at the workplace*, are the major aims of the convention. ILO convention 156 and associated recommendations (165), envisage the development of community services and care facilities as one of the solutions for eliminating discrimination and inequalities associated with workers’ family responsibilities.

Within the scope of our work we will be assessing whether the insufficient provision of/limited access to community services for workers with family responsibilities does indeed constitute a problem, what – if it is so – are the causes of such problem and which actions the public could undertake to organize and promote the provision of different community services in Georgia. We will start by exploring the consequences of family responsibilities and of the insufficient provision of community services on workers with family responsibilities and on the society. This is done keeping in mind the gender dimension, to identify different impacts across genders. Afterwards, we will discuss the main factors that could potentially be causing the insufficient provision of community services to workers with family responsibilities[[23]](#footnote-23).

**Why are family responsibilities an important factor for the workers?[[24]](#footnote-24)**

At the micro level, the allocation of family responsibilities between men and women is perceived as one of the most acute gender issues in the existing literature. In most countries (both, developed and developing) gender roles are divided in the following way (albeit with a certain culture-specificity): men are oriented towards market activities, while women are usually providing most part of the unpaid house work (Kirova 2007). These family responsibilities include housework (such as cleaning, cooking etc.), childcare, elderly care and care of disabled persons. The United Nations Development Program (UNDP) identified that in Georgia women are usually responsible for unpaid household activities such as cooking and cleaning (94% of interviewed women). In addition, women remain dominantly responsible for child and elderly care. According to the data from the survey conducted by UN Women (2018), women usually spend more time on care activities (children and immediate relatives) than man. Women (at working age) report that they spend approximately 17 hours a week on care activities, while men (at working age) spend less than 4 hours[[25]](#footnote-25). The time spent on care activities differs for employed and unemployed women[[26]](#footnote-26). However, even though most respondents acknowledge that household tasks are not distributed equally within family members, they still report satisfaction with the existing task allocation. Notably, however, only 37% of the interviewed women reports that they have never found it difficult to concentrate at work due to the household responsibilities (UNDP & UNFPA 2020).

The existing literature reveals that employees with family responsibilities usually face a role conflict (such as family-to-work[[27]](#footnote-27) and work-to-family[[28]](#footnote-28) conflict), which arise due to the fact that participation in one role makes it more challenging to meet the demands of the other role (Zuba M. 2013). Unpaid family work activities create the so called “Double Burden” for those who have to perform them (mostly women) which negatively affects their well-being, productivity and their labour market outcomes (I. C. Carlos J. 2017). Family responsibilities tend to disproportionately impact women’s paid labour market activity on a range of dimensions, like the occupations they choose (or they are hired for), and the number of hours they spend at work, with consequent effects on their earnings and career trajectories (Blau F. 2017).

Empirical labour market studies show that, all else equal (when attained education level, work experience and other related skills are equal), employers prefer to hire workers without family responsibilities. Women face even stronger barriers, because employers assume, they will prioritize their family responsibilities, that will inevitably interfere with their work (Young M. 2009). Employers typically expect women with family responsibilities to devote significantly more time to their household activities, and to be less productive at work than workers without family responsibilities. In 2007, a laboratory and field experiment were conducted in the USA, modifying resumes to include an indicator of parental status. In the lab experiment researchers found that mothers were perceived more negatively than non-mothers, as measured by indicators of perceived competence and commitment. In the field experiment, the researchers used again fictitious resumes (which varied by indicators of parental status), sending them to potential employers. They found that mothers received fewer call-backs than non-mothers (Correl Sh. 2007).

The workers’ family responsibilities have an impact on wages as well. Usually workers with family responsibilities (i.e. married woman or woman with children) earn less than workers without such duties. The gap is especially acute while looking at employed mothers and comparing their results with those of non-mothers. In the existing literature this gap (with mothers earning less than non-mothers) is called *Motherhood Penalty[[29]](#footnote-29)*. Studies show that motherhood penalty can be partially explained by foregone work experience due to childbirth interruptions, firm changes following employment re-entrance, and part-time work hours (Budig M. 2016). The studies also found that the largest wage penalties are borne by women in medium-skill jobs or those at the lower end of the wage distribution—rather than by high-skilled women or those at the top of the wage distribution. One possible explanation is that high-skilled mothers may have greater workplace flexibility, which serves to attenuate negative wage impacts associated with motherhood (Budig M. 2016). Another reason of the wage gap is that a large fraction of women, especially mothers, work part-time. Part-time work comes at a cost in terms of lower wages and benefits, and fewer opportunities for promotion. However, women prefer to work part-time because this allows them to devote more time to their family responsibilities (Budig M. 2016).

Notably, even though more women tend to work less than 40 hours a week than men (more details below), more women in Georgia prefer to work full-time than part time. According to the Labour Force Survey (LFS) by the National Statistics Office of Georgia (GeoStat) 29% of women are willing to work only full time, and 24% prefer to work fulltime but also agree to get a part time job (the same indicator is 31% and 23% for male workers respectively).[[30]](#footnote-30) Only 3% of female workers have strong preferences towards the part-time job.

Individuals with more work experience are expected to be more skilled and productive and, as a result, receive higher financial returns in the workplace. The literature reports that, on average, men accumulate more work experience than women. The reason behind the gap is that performing family responsibilities takes away time which would be spent at work and, therefore, women lose out on putting in the long hours required for advancement to managerial jobs. This results often in consequences like lack of promotions (Linge T. 2015). Human capital theorists argue that these disparities result in part from women’s overriding family obligations, which restrict them from gaining experience in the labour force (I. C. Carlos J. 2017). The existing data on Georgian labour market also confirms that men devote more time on paid work activities than women. Usually women report that they spend less hours at work during a week, than man. According to the GeoStat LFS in 2019, 72% of female workers and 76% of males report that they spent more than 40 hours at work. On the other hand, more females (19%) than males (14%) report that they spend less than 40 hours at work during a week.

Furthermore, women themselves perceive the work-family conflict as the most important barrier in career advancement. Looking after their children and their aging parents is perceived as their burden, because they have to devote most of their time and energy to these responsibilities (Napasri T. 2015). In addition, women report that sometimes they have to refuse career promotion, because in case of advancement they still have to perform their family care responsibilities and it is impossible to deal with increased work-to-family time conflict (Linge T. 2015). In the Georgian context, family responsibilities can be perceived not only as a barrier for career advancement, but as one of the obstacles to getting involved in paid labour market activities. According to the GeoStat 2019 data from the Labour Force Survey, 51% of the unemployed females (among those who report that are not able to start working immediately) state that they are looking after their infants. For 7% of those females the most challenging factor preventing them from finding a job is taking care of their sick or disabled relatives (notably, the same indicator is only 1% and 4% for males respectively).

While being involved in unpaid care work (i.e. childcare, elderly care and care for disabled person) is likely to significantly reduce the labour market participation of women[[31]](#footnote-31), the provision of supporting services to the workers (such as provision of kindergartens and care centers) can have a positive impact on women’s decision to participate in labour market. In most European countries, governments are directly involved in the provision of such services. However, differences still exist across the continental Europe[[32]](#footnote-32) (Boca D. 2015). For example, in Sweden with the fully state provided kindergarten services, women employment rate is significantly higher than in Southern Countries (Italy, Greece and Spain) where mixed system is used combining private and public provision of child care (Boca D. 2015). Studies show that one percentage change in public child care coverages increases probability of women employment by 1.3 percentage points (Brilli Y. 2014). Furthermore, care costs also influence the women’s decision to participate in the labour market. The cost of those services is a critical factor in parents’ decision to purchase these services. Consequently, the higher the cost of childcare for families, the lower is the probability, that women will decide to participate to the labour market. In addition to the availability and affordability of services, the convenient location of care centers is a critical issue as well. A potentially convenient location would be the place of employment of one of the parents. Furthermore, the quality of the care centers is also an important factor, and low-quality care might explain the low responsiveness of child care use and labour supply to increases in availability of childcare services (Boca D. 2015).

Despite the existing problems in the public childcare provision in Georgia (discussed in greater details below) unavailability and unaffordability of the childcare services are not perceived as a major cause of female unemployment by the majority of Georgian citizens. For example, answering to a recent UN Women survey (2018), only 1.16% of unemployed women indicated the unavailability of the good quality childcare services as a reason of unemployment. The low number of women who list childcare related services as a main reason of their unemployment can be explained by the fact that other factors, such as unavailability of relevant jobs (22.53%) and low remuneration (22.17%) are perceived to be the most critical issues. Notably, unavailability and unaffordability seem to constitute more severe problems for the most vulnerable group of women, those from the households with lower incomes. About two thirds of women listing unavailability and unaffordability of childcare services as reasons for unemployment belong to the poorest households (Figure 1 and Figure 2). Finally, even though the majority of women do not state lack of childcare services as a problem, 3% of unemployed females report that they do not work because they prefer to stay at home with their kids, then work, while 9% says that the do not work because of existing family responsibilities. These numbers reveal that performing their household tasks does affect women participation in the labour market.

**Figure 1.** ***“Unable to Find Good Enough Childcare*” as a Reason for Unemployment for Females by Income Range (2018)**

***Source:*** *Authors’ own calculations based on UN Women Survey Data (2018)*

**Figure 2**. ***“Unable to Afford Childcare”* as a Reason of Unemployment for Females by Income Range (2018)**

***Source:*** *Authors’ own calculations based on UN Women Survey Data (2018)*

In addition, according to the same survey, 30% of the Georgian population think that lack of the availability of the kindergartens is a challenging factor for female employment and 33% thinks that unaffordability of the childcare is a challenge. However, disparities in the perception exist between the genders, with more women reporting the above-mentioned factors as a problem, compared men. Perceptions differ also between the employed, unemployed and the inactive with a larger fraction of the employed perceiving this as a problem, compared to others (Figure 3).

**Figure 3.** **Lack of Kindergartens and Affordable Childcare Services Perceived as a Challenge by Gender and Employment Status**

***Source****: Authors’ own calculations based on UN Women Survey data (2018)*

The lack of kindergartens and affordable childcare services does not seem to be a major reason for leaving a job in Georgia, with only 0.6% and 1.8% of Georgian women reporting these two factors as a main reason of leaving a job respectively (according to the UN Women 2018 survey).

Most of the existing literature discusses the family responsibilities of women focusing on their role as mothers. However, there is a relatively little evidence about the role of responsibilities to care for the elderly, elderly care policies, and female attitude to paid work (Cipollone A. 2014). One of the possible explanations is that caring responsibilities for elderly usually occur at a later phase of the work career than child care. Second, elderly care is less predictable in timing, duration and intensity. Taking care for elderly or relatives with illness and disabilities does not seem to be the main causes of female inactivity in Georgia either (only for 0.55% and 0.32% of inactive women respectively according to the UN women 2018 survey data).

In addition to their potentially deleterious effects on labour market outcomes, work-to-family conflicts can also negatively affect the well-being of workers with family responsibilities. The psychophysical stress faced by women because of their multiple burden has been linked to adverse effects on physical and mental health of female workers (Patimo R. 2017). Women usually report that they suffer from the ‘guilt-complex’ of not spending enough time with their kids, and being forced to leave their children at care centers (which do not always provide high quality) or to other care takers (including grandparents and nurses) (Buddhapriya 2009). In addition, family responsibilities could also negatively influence the job satisfaction, as women sometime have to take a job just because they provide specific (and desirable) social benefits. These include, insurance for dependents, flexible working hours or a convenient location (either close to home or care center). In such cases women report that they have a low job satisfaction (which includes the tasks they are performing, position, salary etc.) however they are getting other benefits which are essential to fulfil their family responsibilities (Adams S. 2014). The importance of getting an additional income should also not be underestimated. If a woman is unemployed there is a higher probability that her household has lower income relative to the households were women are employed (Figure 4).

**Figure 4. Income of Households with Employed and Unemployed Female Members in Georgia (2018)**

***Source:*** *Authors’ own calculations based on the UN Women Survey data*

**Why is helping workers with family responsibilities an important step for the society?**

Looking at the macro picture, from the society’s standpoint, family responsibilities of workers impact the overall economy in two main dimensions: (i) care services as a sector of the economy and (ii) indirect impact on labour markets. In the current conditions, unpaid care work associated with the family responsibilities of workers is not reflected in the major measurements of the economy. Specifically, the system of national accounts (SNA) does not count the unpaid care work at the household level among the annual economic activities. This is because this work is not remunerated, does not produce a service sold on the market and, thus, is not measured. The formalization of the part of the family responsibilities related to care services, either provided to the individual household (through domestic workers), or as childcare and family services and facilities will bring great part of the sector among measurable services, that are included into the SNA (Falbre 2007). In this sense, the development of the care service sector could positively influence GDP growth, becoming also a source of new jobs. As for the indirect labour market aspect, the impact of family responsibilities is primarily reflected in the female labour market outcomes. Specifically, as of 2019 labour force participation (LFP) for women in Georgia stands at 55%, compared to 73% LFP for man. As demonstrated earlier, family responsibilities represent one of the factors leading to lower LFP, especially for women. This represents a substantial forgone opportunity to increase GDP per capita and government revenues. Furthermore, lower LFP is also associated with the loss of productivity, as workers who do not participate in the labour market normally lose their skills after certain period. (IMF 2013) discusses wide range of impacts of lower female labour force participation on macro economy.

**Major Causes of the Problem**

Childcare and preschool education system

We start by mentioning the assessments of the Public Defender of Georgia about the existing challenges characterizing the preschool education. The Public defender sees progress in this regard when compared to previous years (nutrition spaces are arranged; nutrition process takes into account health condition and special needs of the children; drinking and agricultural water is provided at the buildings (in most cases)). However, challenges still remain:

* Infrastructural condition of the buildings of pre-school educational institutions:
  + Most buildings are not accessible for children with disabilities;
  + The issue of arranging yards in kindergartens is problematic (improper fencing; spaces not compliant with the number of children; safety requirements are not met; lack of necessary inventory);
  + Buildings’ space proportions with respect to children’s age, number and specifics of educational activities is problematic;
* Preschools are not sufficiently equipped with textbooks and toys;
* Kindergartens do not have a unified approach to the frequency of control of drinking water safety and laboratory testing;
* The qualification of pre-school staff is not always adequate (most importantly employees are not properly informed about cases of violence, how to respond appropriately to it and to avoid them);
* It is necessary to develop the Georgian sector of the kindergarten in the Akhalkalaki municipality (as demanded also by the local population);
* There are no kindergartens in some of the villages.[[33]](#footnote-33)

Therefore, the Public Defender recommended to the Government of Georgia to increase the number of kindergartens, and to the municipalities to accumulate proper funding for addressing infrastructural and staff problems in preschool educational institutions.

It is also important to outline a hidden but substantial gap in the provision of childcare. Children can attend kindergarten from the age of two. The duration of maternity and childcare leave is 730 calendar days. Therefore, it would appear that there is no gap between maternity and childcare leave, on the one hand, and kindergarten entitlement, on the other hand. However, this situation is problematic as only one-fourth of this leave is remunerated and even in that period the benefits paid are quite low for women who are not public servants[[34]](#footnote-34). At the same time, no public childcare service is provided for gap period. Consequently, there is a long period of time during which women cease receiving maternity leave benefits to support themselves and their children, even though childcare services are not available.

Moreover, the working hours of public kindergartens coincide with the usual working hours, and for the parents working at the full-time job taking kids to/from kindergartens is a problematic issue[[35]](#footnote-35) . According to the UN Women study, women often refer the schedule of childcare facilities as a problematic issue. As public kindergartens are open till 6 PM, parents cannot leave their kids anywhere if their working hours are longer (UN Women 2018)

Care for elderly and persons with disabilities

According to the Public Defender of Georgia, the state policy does not respond to the challenges of older people either.

Every year Georgia adopts a social rehabilitation program. The current program includes provision of community services for the elderly.[[36]](#footnote-36) There are also limited programs provided sporadically around the country to support the elderly. For instance, the central government manages two public homes for elderly in Tbilisi and in Kutaisi, while municipality and local orthodox church administer another care facility in Batumi. Also some private sector providers (primarily Civil Society Organizations (CSOs)) provide elderly care services. However, a majority of those are oriented towards addressing pressing social needs of specific individuals (UN 2018), and these facilities could not be considered in scope of supporting workers with family responsibilities and help them cope with their challenges. Overall, the most crucial issue seems to be the absence of a comprehensive long-term strategy for the care of the elderly.*[[37]](#footnote-37)*

The Human Rights Council in its 2018 report also analyses the critical issues associated with elderly care in Georgia (UN 2018). It lists several challenges that exist in the formal and in the informal caregiving system. In the formal caregiving sector, notwithstanding the official standards, the enforcement mechanism is weak. There are problems of violence, quality of care remains challenging and no sufficient medical personnel is available. As for the informal part, caregivers are normally not sufficiently prepared to meet the needs of elder people.

As for the day centers for elder people the Human Rights Council assesses the situation in 2018 as follows:

* The public day-care centers are insufficient when taking into account the number of elderly people;
* Municipalities do not have the financial and technical capacity, as well as the human resources to strengthen their work towards this issue.

De facto, the limited care services for the elderly are provided sporadically and primarily to address the issues of poverty. As for the elderly people living with their family members, there are no public services available, and other household members are supposed to take care of them. Consequently, workers with care responsibilities towards the elderly have few chances to receive any support for meeting their obligations.

Lastly, the Public Defender’s assessment shows that also the number of day-centers for persons with disabilities is insufficient[[38]](#footnote-38). Despite the relatively broad geographical coverage, the resources available are not adequate for addressing the needs of persons with disabilities.[[39]](#footnote-39)

Gender Wage Gap, Social Norms and Gender Stereotypes

The unequal distribution of the family responsibilities can also be explained by the presence of a gender wage gap, discriminatory social norms (in the workplace as well as in the household) and gender stereotypes.

The gender wage gap is an obvious candidate for explaining the unequal distribution of family responsibilities. Insofar as women earn less than men, when the need arises for some wage earner in the household to devote part of his/her time to take care family members – especially in absence of a proper external support system - women are the first candidates to step in, as the loss of labor income for the household is going to be lower. There is an extensive literature supporting the role of discrimination in explaining part of the gender wage gap. For example, (Berniell and Sánchez-Páramo 2012) , found that half or two-thirds of these inequalities remain unexplained even considering socio-demographic and economic factors (such as education and wealth). Therefore, they attributed this residual part to discrimination (similar conclusions are drawn by (Tichenor 1999), (Booth and and Van Ours 2005), (Boye 2008), (Evertsson and and Nermo 2007)). Inequalities in caring responsibilities, however, persist for wealthier and more educated women. According to (Rizavi and and Sofer 2010) women tend to contribute more than 60% of the time devoted to housework and care, regardless of their income, employment status, and education level. Hence, women’s high engagement in the unpaid family work can partly be explained by social institutions, including formal and informal laws, social norms and practices, traditional gender norms and beliefs, behaviours that are deemed acceptable or unacceptable in a society ( (West and and Fenstermaker 1995), (Jütting, et al. 2008) ). (Akerlof and Kranton 2000) explain the unequal distribution of the family responsibilities with the importance of gender identity. As a result of all of these factors, in most societies paid formal employment is considered as a masculine task, while unpaid family work is mostly seen as women’s domain.

Georgia is not an exception in this regard. UNFPA and UNDP (2020) found that household tasks and domestic responsibilities remain the primary domain of women. For example, 86% of washing and cleaning, 74% of cooking and 49% of childcare activities are performed by women. The gender wage gap for working women remains substantial. The adjusted wage gap in hourly earnings is around 25% (adjusted for all characteristics of workers is 24.8%, while adjusted for all characteristics with Heckman-correction is 25.7%) based on analysis of 2017 labour force survey (UN Women 2020). Moreover, the Georgian society is characterized by well established – traditional - gender roles (the unequal distribution of the housework is considered as a normal even by women), which play an important role in maintaining the current distribution of the family responsibilities. Despite female family members doing most of the household tasks, 67% of women and 63% of men were satisfied with the existing allocations of duties in 2019, and these numbers were even higher 7 years ago. Furthermore, part of the population still believes that man should not participate in domestic work, as it is a direct responsibility of women. In a survey conducted in 2020 by UNDP & UNFPA, 21% of women and 14% of men disagreed with the idea that men should be equally involved as women in housework (UNDP & UNFPA, 2020). According to the women’s economic inactivity and informal employment survey (2018), 65% of male and 77% of female agreed that taking care of the home and family makes women as satisfied as having a paid job.

In addition, more than two thirds of men and slightly more than half of women agree that everyday childcare activities are women’s responsibilities. Furthermore, 38% of men and 35% of women believe that employed mothers cannot be as good caregivers to their children as mothers who do not work, and 70% of men and women think that, for a child of preschool age, it is better to have a mother that does not work.

## Data Analysis of the Problem: Existing Trends

The baseline scenario described in this section shows the major tendencies characterizing participation in the Georgian labour market in Georgia, by gender, as well as snapshots suggesting the impact of family responsibilities might have on labour market choices of men and women in the Georgian context.

Over the past decade the labour force participation has been relatively stable for both genders. Specifically, the labor force participation varied between 54-58% for females and 74-77% for males (Figure 5). The difference between male and female LFP represents one of the major gender gaps on the labour market.

**Figure 5.** **Male and Female Labour Force Participation (LFP)**

***Source***: *GeoStat*

Similarly to LFP, employment levels have also been relatively stable both for males and female workers. The difference in employment levels is also noteworthy, underlining another important gap on the labour market. Over the past decade the employment rates for males were in the 60-63% interval, while those for females were between 46 and 51% (Figure 6).

**Figure 6. Male and Female Employment Rate**

***Source***: *GeoStat*

Unemployment rates for females, instead, have been lower than those for males over the last 10 years. The long-term trend is decreasing for both genders with female unemployment rate declining from 15% to 10%, and that for males falling from 19% to 13% (Figure 7).

**Figure 7.** **Male and Female Unemployment Rate**

***Source***: *GeoStat*

Analysing the Labour Force Survey (LFS) data from the National Statistics Office of Georgia (Geostat) over the last three years, family responsibilities - such as having disabled person within the household (HH) or having elderly - seems to have an impact on the labour market outcomes of female and male workers. Particularly, if there is a disabled or elderly person within the HH females are less likely than males to be economically active or employed (Figure 8-11).

**Figure 8. Economic Activity by Gender if There is an Elderly Person in the Family**

***Source***: *Authors own calculations based on GeoStat LFS data*

**Figure 9**. **Employment Status by Gender if There is an Elderly Person in the Family**

***Source***: *Authors own calculations based on GeoStat LFS data*

**Figure 10*.* Economic Activity by Gender if There is a Disabled Person in the Family**

***Source***: *Authors own calculations based on GeoStat LFS data*

**Figure 11**. **Employment Status by Gender if There is a Disabled Person in the Family**

***Source***: *Authors own calculations based on GeoStat LFS data*

The existing data show also that women tend to spend significantly more time on caring activities than men (regardless of whether women are employed or not). Caring of children appears to be more time consuming than taking care of elderly and other relatives. In comparison to child-care, the time-spend on elderly care per week is negligible (Figure 12).

**Figure 12.** **Average Hours Per Week Spend on Childcare and other Family Members Care by Gender and Employment Status (2018)**

***Source:*** *Authors’ own calculations based on UN Women Survey data (2018)*

It should be noted that as the income of households (HHs) increases, the time spend on care activities (by both, male and female) reduces substantially. Notably, the respondents with average monthly income more than 3,000 Gel either refused to answer a question, or state that this was not applicable for them (Figure 13).

**Figure** **13**. **Average Hours Per Week Spent on Care Activities by Gender and income Group (2018)**

***Source:*** *Authors’ Own calculations based on Un Women Survey data (2018)*

Family responsibilities, caring activities and related factors (such as availability of childcare etc.) appear to affect the decision on employment for both genders. 9% of unemployed females and 10 % of inactive females report that they cannot work because of family responsibilities. Other factors related to family responsibilities also affect women’s decision not to participate in the labour market (Figure 14 & Figure 15).

**Figure 14.** **Reasons of Non-Employment for Economically Inactive Females (2018)**

***Source:*** *Authors’ Own calculations based on Un Women Survey data (2018)*

**Figure 15.** **Reasons of Unemployment for Unemployed Females (2018)**

**Source:** *Authors’ Own calculations based on Un Women Survey data (2018)*

Looking at the gender and age distribution of citizens, who are not working (both non-employed and unemployed), reveals that issues related to the care activities and family responsibilities are more problematic for younger age women, than for elder women or men at any age (Table 3). Notably, women at younger ages tend to state unaffordability and unviability of childcare services as an important issue. At elder ages the issue becomes less problematic, probably because above 35 women tend to have more adult kids, who require less time for caring.

**Table 3.** **Reasons of Not Working Related to the Family Responsibilities by Age and Gender (2018)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Age -18-35 | | Age - 36-50 | | Age - 51-70 | | Age above 71 | |
|  | **Female** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** | **Male** |
| **Unable to find good enough childcare** | 2.7% | 0.9% | 1.0% | 0.0% | 1.0% | 0.0% | 0.6% | 0.0% |
| **Unable to afford childcare** | 3.4% | 0.5% | 0.7% | 0.0% | 1.0% | 0.0% | 0.5% | 0.0% |
| **Caring for elderly relative(s)** | 0.3% | 0.0% | 1.1% | 1.0% | 1.8% | 0.9% | 0.6% | 0.1% |
| **Caring for relatives with disabilities, illness** | 0.7% | 0.0% | 0.9% | 0.9% | 1.4% | 0.0% | 0.7% | 0.7% |
| **Prefer to stay at home with children** | 8.6% | 0.5% | 8.1% | 0.4% | 3.8% | 1.6% | 2.7% | 0.0% |
| **Personal or family responsibilities** | 12.6% | 6.2% | 11.9% | 8.2% | 8.8% | 8.4% | 5.1% | 5.2% |
| **There are not jobs available close enough to my home** | 7.8% | 11.4% | 9.6% | 10.3% | 7.9% | 9.5% | 3.5% | 7.1% |

***Source:*** *Authors’ Own calculations based on Un Women Survey data (2018)*

According to the LFS data, over the last three years (2017-2019) family responsibilities did affect significantly labor market choices. Overall, about 31% of women and 12% of men reported leaving their job due to family responsibilities in any single year. What is even more important is that the observed trend is on the rise, especially for men, for which the percentage went from less than 10% to 14% over the period (the shares for women are slightly below 30% and slightly below 31%, respectively).

Care responsibilities have been one of the dominant reasons for leaving a job for females, while the same is not true for males (more than 5% of women report this as main cause against less than 1% of males – Table 3). The situation is slightly more balanced in the case of other personal or family responsibilities, with 25% of women reporting to have left their job because of this reason, against about 12% of men. Interestingly, care responsibilities seem to have been declining in importance over time, possibly as a result of government efforts to provide free childcare services, while the impact of other family responsibilities seem to have increased. This effect is particularly strong for men, for which the share of individuals reporting to have left their job due to other family responsibilities has increased by almost half over the three years under observations (from 9.36% to 14.43%). Over the same period, the share of women reporting to have left their job due to other family responsibilities has also gone up, from 22.13% to 26.26%. This result implies that family responsibilities continue to remain a constraining factor challenging women’s (and, increasingly, men’s) participation to the labour market (Figure 16).

**Figure 16**. **Share of Population Who Leave Job Due to the Child or Relative Care or Other Family Responsibilities**

***Source:*** *Authors’ own calculations based on Geostat LFS data*

Similarly to the results from Un Women Survey, the analysis of the LFS also reveals that childcare remains – as could be expected - a more challenging factor for younger females than for older ones. Interestingly, the decline in the importance of care responsibilities seems to have been affecting disproportionately more women above 55 years of age, followed by those between 35 and 55. As for other family responsibilities, they seem to slightly increase with age. Notably, childcare has almost never been a challenging factor for males’ employment (less than 1 %), while the share of males who state other family responsibilities as a reason of not working has never exceeded 17% during the last three years (Figure 17 & Figure 18).

**Figure 17.** **Females leaving job due to care or other family responsibilities by age groups**

***Source:*** *Authors’ own calculations based on GeoStat LFS data*

**Figure 18***.* **Males Leaving Job Due to Care or Other Family Responsibilities by Age Groups**

***Source:*** *Authors’ own calculations based on GeoStat LFS data*

In line with what we were postulating while discussing childcare availability in Georgia, caring for infants seems to remain the main reason preventing women from starting a work immediately. Over the period 2017-2019, the percentage of women reporting that they are looking for a job but are not ready to start work immediately because they are caring for infants never declines below 50% (Figure 19). Similar to any other factors, mentioned above, a substantially higher number of women than men report that they are not ready to participate in labour market due to the care infants or other immediate relatives (Figure 20).

**Figure 19.** **Reasons, Why Women Cannot Start Working Immediately**

***Source****: Authors’ Own Calculations based on GeoStat LFS data*

**Figure 20.** **Reasons, Why Men Cannot Start Working Immediately**

***Source****: Authors’ Own Calculations based on GeoStat LFS data*

The higher burden of family responsibilities (particularly care activities) on women than on men is consistent with the fact that women spend relatively less time on paid work activities than men. The difference between males and females remains relatively stable over the years (Figure 21).

**Figure 21**. **Time Spend on Paid Work Activities During a Week by Gender**

***Source****: Authors’ Own Calculations based on GeoStat LFS data*

In addition, time spend on paid work activities significantly differs between married and single individuals, as being married can be associated with bigger family responsibilities than not having own family. However, the difference is more noticeable with female workers than with males (Figure 22 & Figure 23).

**Figure 22.** **Time Spend on Paid Work Activities During a Week by Females by Marital Status**

***Source****: Authors’ Own Calculations based on GeoStat LFS data*

**Figure 23*.* Time Spend on Paid Work Activities During a Week by Males by Marital Status**

***Source****: Authors’ Own Calculations based on GeoStat LFS data*

## Elaboration of the Baseline Scenario

As the presented data show, family responsibilities play an important role (and potentially an increasing one) in constraining labor market choices of individuals who carry them. Women remain the most affected, especially when responsibilities are related to care of children and other family members, but this issue is becoming increasingly relevant for men as well.

Despite the improvements in childcare availability and affordability over the last years, caring for children (particularly infants) has remained a substantial hurdle that women (mostly those below 35 years of age) must overcome in order to enter the labor market. The fact that more than 50% of women looking for a job but unable to start immediately claim this is because they have to take care of an infant reveals that these women might be facing a serious problem of unavailability and/or unaffordability of dedicated childcare facilities and services.

Furthermore, the fact that women from higher income households spend significantly less time on caring activities than those from lower income ones suggests that somehow the public provision of free services is still insufficient and/or qualitatively inadequate. As soon as they can afford to pay for acceptable quality private services (this can be hiring a nanny to take care of the infants, a private kindergarten or a nursing a home), it seems like women prefer to get these services and spend less time on these activities. This finding has been confirmed by a parallel analysis conducted by ISET-PI on the ILO convention on Domestic Workers. Domestic workers sometimes substitute state care services (child-care, elderly care), potentially absorbing some of the state functions and reducing pressure on the state budget. However, just families with higher incomes can afford to hire them on a regular basis. A World Bank recent study revealed that, when it comes to elderly care, Georgian families prefer flexible, home based care options along with on-call care and day-care centre to residential elderly care institutions. ”These more flexible formats are viewed positively by Georgians, as they are seen to be more compatible with the norms that emphasize the well-being of the elderly” (The World Bank 2019). Finally, even though the number of women reporting that they refused paid work (either left a job or were not ready to participate in labour market) due to their care obligations is decreasing over the years, their number is still substantially high. Thus, the provision of affordable care services to those women remains a priority.

Overall, the trend analysed suggest that, in absence of a new (evidence-based) policy approach to the issue, the challenges for workers with family responsibility will be increasing over time, with potentially substantial negative social and economic consequences.

Unfortunately, it is currently hard to quantify the optimal quantity and composition of community services for workers with family responsibilities, particularly with references to the increasing non-care related family responsibilities, due to the lack of detailed information in the available data. Given the large and increasing impact of such responsibilities on the labor market choices and outcomes of individuals, acquiring and analysing more detailed information becomes, therefore, a clear priority for the future, and the first step towards addressing this key issue properly.

# Policy Objectives

Considering policy context, identified problem, its causes and consequences we have identified following general, specific and operational objectives:

## General objective

Ensuring the provision of a sufficient quality and quantity of affordable childcare and family services, and facilities, to support current and potential workers with family responsibilities.

## Specific and operational objectives

1. Enabling the provision of affordable childcare and family services and facilities to address the needs of workers with family responsibilities
2. Ensuring sufficient availability of childcare and family services and facilities to address the needs of workers with family responsibilities
3. Developing the awareness within the society about the available childcare and family services and facilities

**Table 4**. **Summary of objectives**

|  |  |  |  |
| --- | --- | --- | --- |
| OBJECTIVE | INDICATOR | RESPONSIBILITY | TIMING |
| **Specific Objective 1 - Enabling the provision of affordable childcare and family services and facilities to address the needs of workers with family responsibilities** | | | |
| 1.1 Provision of affordable childcare and family services | 1. Service cost as a share of median household income (%) 2. Service cost as a share of women’s median wage (%) 3. % Women naming unaffordability of childcare and/or family services as a reason for not participating on the labour market 4. Take-up rate of childcare and family services | Local Municipalities  Kindergarten Unions  Ministry of Education, Science Culture and Sports  Ministry of Regional Development and Infrastructure  Ministry of IDPs, Labour, Health and Social Issues | XX Years |
| **Specific Objective 2 - Ensuring sufficient availability of childcare and family services and facilities to address the needs of workers with family responsibilities** | | | |
| 2.1 Availability of childcare and family services | 1. Amount of time needed to reach childcare and family service 2. # of people per caretakers 3. # of service providers complying with standards within municipality and territorial district 4. # of care and family services by type within municipality and territorial district 5. % Women naming unavailability of childcare and/or family services as a reason for not participating on the labour market 6. Take-up rate of childcare and family services | Local Municipalities  Kindergarten Unions  Ministry of Education, Science Culture and Sports  Ministry of Regional Development and Infrastructure  Ministry of IDPs, Labour, Health and Social Issues | XX Years |
| 2.2 Availability of needed infrastructure and facilities for childcare and family services | Share of facilities complying with the required standards by type (%) | Local Municipalities  Kindergarten Unions  Ministry of Education, Science Culture and Sports  Ministry of Regional Development and Infrastructure  Ministry of IDPs, Labour, Health and Social Issues | XX Years |
| 2.3 Availability of qualified caretakers with different backgrounds (such as care taker for children, for elderly, for people with disabilities etc.) | 1. Share of caretakers with relevant qualification (%) 2. # of trainings and certification programs for different types of caretakers | Ministry of Education, Science Culture and Sports  Ministry of IDPs, Labour, Health and Social Issues | XX Years |
| **Specific Objective 3 - Ensure awareness of society about the available childcare and family services and facilities** | | | |
| 3.1 Growing awareness of the society about the possible childcare and family services and facilities. | 1. Take-up rate of childcare and family services 2. Level of awareness of workers with family responsibilities about the available childcare and family services and facilities (assessed with the survey) | Ministry of IDPs, Labour, Health and Social Issues | XX Years |

# Elaboration of Options Alternative to Baseline Scenario

The analysis of the policy context, of the problem and of its causes and consequences, show that family responsibilities do have a substantial impact on labour market choices and outcomes. They also show that actions to support individual with family responsibilities should tackle a large number of issues, including affordability and availability of services and facilities in a variety of sectors from childcare and preschool education to care for people with special needs and elderly. Our analysis has also revealed the need for further research, data gathering and analysis to identify and classify all remaining issues (clustered in the category “other personal or family responsibilities”) faced by individuals with family responsibilities, as well as constraints limiting the provision of affordable family services and facilities services.

Addressing a problem requires informed and effective planning and decision making. The alternatives presented below are designed towards facilitating planning and decision-making by collecting missing information and making it available to policy makers, and are in line with the ILO recommendation R165 on workers with family responsibilities. We suggests several actions for development of child-care and family services and facilities[[40]](#footnote-40).

## Policy Option 0 - Status Quo Scenario

In the status quo scenario the government continues current tendencies of development of child-care and family services and facilities at the community level. In this scenario the local governments provide child-care services through the preschool education system. Furthermore, the government provides care services for the elderly and persons with disabilities within the current targeted social assistance scheme. Thus, these services are primarily social assistance services for the vulnerable individuals, not family care services for households. In the status quo, the government and the private sector do not create any substantial policy changes in development of care services and facilities.

The status quo scenario is associated with the following opportunity:

* The lack of regulation could potentially constitute a fruitful ground for the development of the private care services for children, elderly and persons with disabilities. This, however, could happen only amid substantial changes in the current social stereotypes, as well as income growth and respective increase in demand for such services. As these changes require time, it is unlikely that major changes will be observed in the short and medium term (up to 5 years).

The status quo scenario is associated with the following risks:

* Most workers with family responsibilities will not have access to affordable care services needed to balance work and family responsibilities, be they:
  + care responsibilities towards elderly;
  + care responsibilities towards persons with disabilities;
  + care responsibilities towards infants (women specific issue), during the period between the end of paid childcare leave and the child’s kindergarten age (2 years).
* Workers with family responsibilities would be facing increasing trade-offs between professional goals and family responsibilities;
* Workers with family responsibilities would face greater risk of discrimination on the workplace (e.g. less hiring opportunities, greater wage gaps, lower job security) due to their family responsibilities, as the burden on them increases.

## Policy Option 1 – Centralized development of the strategy and implementation plan of the childcare and family services

In this policy option, in accordance with recommendations 165 on workers with family responsibilities, the government of Georgia organizes regionally representative surveys (as well as at the rural/urban level) to collect and identify needs for child-care and family services and facilities, and expands the collection of administrative data to support the development of the strategy[[41]](#footnote-41). Under this policy option, the survey and data collection exercise will be conducted by Geostat. After the data collection is finished, the government develops the 5 years national strategy and the implementation plan for the development of child-care and family services and facilities in the country. One of the major aims of developing the strategy will be to develop an adequate and affordable network of care services and facilities around the country to address the challenges of workers with family responsibilities. The strategy should consider the local needs of different communities around the country. The specific policy tools, instruments and interventions needed to develop the care services and facilities around the country will be developed within the strategy. Furthermore, the implementation plan of the strategy will identify the timeline, the budget and the scope of activities defined within the strategy. Considering the cross-cutting nature of the issues, the process can be organized either within the administration of the government, or the Ministry of IDPs, labour, health and social issues, in cooperation with the Municipalities. Monitoring and evaluation will be performed at the centralized level, with the support of local authorities.

The policy option is associated with the following opportunities:

* The government will take a more comprehensive look at the development of care services, taking into account the specific needs of workers with family responsibilities at the municipal level and designing a national strategy to address the demand for support services, allowing to pool the resources and providing joint solutions for multiple communities (municipalities);
* The development of care services could potentially create whole new sector of the economy with new employment opportunities, faster than just waiting for the demand to arise spontaneously and the market to respond;
* The development of the sector will also support improvements in the quality of service delivery in a currently small and largely informal sector of the economy;
* The development of affordable care services could potentially remove some of the key constraints for the workers with family responsibilities to actively participate in the labour market. This, in turn, could have a positive impact on labour force participation and overall productivity (at the micro as well as at the macro level);
* The development of affordable and accessible care services could potentially help decrease discrimination in the labour market, primarily for the women.

The policy option is associated with the following risks:

* The central government might not be able to take into account the specific needs for variety of local communities, thus providing a relatively limited (and less efficient) range of solutions, potentially leading to a mismatch between the resources allocated, the solution proposed and the needs to the satisfied;
* The development of the strategy and implementation plan at the centralized level could potentially discriminate smaller communities with particular needs in terms of services and facilities;
* As kindergartens are managed at the municipal level, some of the points of the strategy could be hard to implement and tensions might arise between the actions of the executive body (local government) and the strategic decisions taken at the national level.

## Policy Option 2 – Development of municipal strategies and implementation plan of the childcare and family services with national guidelines

In this policy option, in accordance with recommendations 165 on workers with family responsibilities, the local municipalities are required to conduct representative surveys at the municipal level (they might be designed at the local or at the centralized level) to collect and identify needs for child-care and family services and facilities. In this policy option the survey and data collection exercise will be outsources to the private sector (possibly with a coordination/supervisory role assigned to Geostat experts). After the data collection is finished, the local municipalities share the information with the central government. Afterwards, local municipalities and the central government coordinate to develop 5 years local and national strategies and the implementation plans for the development of child-care and family services and facilities in the country. One of the major aims of developing the municipal strategies will be to solve the challenges of workers with family responsibilities in parallel to development of care services and facilities within the municipalities. The specific policy tools, instruments and interventions needed to develop the care services and facilities within each municipality will be developed within the strategy. The national strategy will unify the results of the local strategies and identify specific local needs for additional resources. Furthermore, the implementation plans of the strategy will identify the timeline, the budget and the scope of activities defined within each strategy. The development of local strategies will be managed within the local municipalities, while the considering cross-cutting character of the national strategy the process can be organized either within the administration of the government, or the Ministry of IDPs, labour, health and social issues. Monitoring and evaluation will be performed locally and the data will be shared with the central government.

The policy option is associated with the following opportunities:

* The data gathering exercise could have an indirect benefit through country’s ability to characterize the labour markets at the municipal level, that is currently impossible.
* The local municipalities will manage to better identify local needs for care service. For example, as kindergartens are managed at the municipal level, and childcare is one of the major needs for the workers with family responsibilities in that municipality, the municipal-led strategies might have the potential to create a better vision for the development of the sector than centrally developed ones;
* The policy tools, instruments and interventions will be better tailored for the needs of the workers with family responsibilities living in the municipality;
* The development of care services could potentially create a whole new sector of the economy within the municipalities and create new job opportunities, faster than just waiting for the demand to arise spontaneously and the market to respond;
* The development of the sector will also support improvements in the quality of service delivery in a currently small and largely informal sector of the economy;
* The development of affordable care services could potentially remove some of the key constraints for the workers with family responsibilities to actively participate in the labour market. This in turn could have a positive impact on local labour force participation and productivity (at the micro as well as at the macro level);
* The development of the affordable and accessible care services could potentially decrease discrimination on the labour market, primarily for women.

The policy option is associated with the following risks:

* The development of strategy on the municipal level could create the problems with coordination of actions among the municipalities, and with the central government, and this could in turn lead to efficiency losses. To mitigate this risk, the national strategy should fill these gaps and suggest amendments where needed, in order to pool resources together;
* The local municipalities might lack resources for addressing properly specific needs. Thus, either local strategies might become too limited, or might have problems of funding. To mitigate this risk the central government should be ready to step in and provide additional funding, when required.
* Local strategies might be “captured” by strong local interests, leading to a dispersion in benefits and/or to uneven access to the newly provided services (with the most vulnerable groups among the population being most penalized), as well as to a reduction in efficiency. To mitigate this risk, the central authorities should create direct channels through which citizens may be able to raise concerns and criticisms, and suggest improvements, to the locally designed strategy.

# Analysis of Impacts

## Identification of Possible Impacts

The implementation of the policy options described above will have an influence on the society, affecting labour market outcomes of female workers, the development of the care economy, and gender equality in the country, as week as the well-being of individuals needing care. Moreover, we can expect also changes associated with the administrative burden of state agencies and public finances. In this section we assess qualitatively the main expected impacts of the alternatives, representing the possible implications of the chosen policy options in each of the aforementioned directions.

**Policy Option 1 – Centralized development of the strategy and implementation plan of the childcare and family services.**

* **Administrative**

The initiative of the GoG to develop a centralized strategy and implementation plan will change the administrative burden of the state agencies compared to status quo scenario.

Firstly, conducting a regionally representative survey by GeoStat will require elaborating the appropriate questionnaire and sampling strategy, piloting the survey, finalizing the questionnaire, conducting interviews and processing data accordingly. This will require additional administrative resources, either hiring new employees or expanding the workload of existing staff members. Considering that GeoStat employees are already well trained in conducting surveys there will not be the need for extensive additional trainings. However, given the peculiarity of the problem, some specifics staff training regarding the specific issues of the survey will be required. Experts might also have to be involved for the optimal realization of the questionnaire.

Once the survey is finalized and the data are cleaned, the incorporation of the needs of the local population in the centralized strategy will require an in-depth analysis of the data to ensure that the main challenges and constraints are identified and appropriate problem-solving mechanisms are included in the strategy and implementation plan. The elaboration of the strategy and action plan will require either an expansion of duties of the existing administrative staff in the responsible government bodies, or the hiring of external consultants.

Moreover, increased administrative resources will be needed for process monitoring in the later stages, to ensure that actions are implemented in accordance to the pre-defined timeline and scope.

Considering the multi-dimensionality of the problem, the strategy elaboration might require close cooperation and coordination of the representatives from various administrative bodies, including administration of the government, MoH, MoF, MRDI. Furthermore, the realization of solutions within the local municipalities requires the involvement of responsible staff members from the local governments to ensure the best possible incorporation of suggested actions.

* **Care Economy**

The introduction of the strategy and action plan to support the development of community services at the national level could potentially accelerate the development of the care economy in the country. This might support the development, growth and institutionalization of informal care services, such as childcare, early childhood education, disability and long-term care, as well as elder care. In this scope it must be considered that, in addition to addressing the lack of infrastructure and respective facilities, the strategy and action plan could potentially identify and address other constraints to the provision of high quality and affordable care services. A clear and structured vision about the path towards the development of the sector could create better conditions for the growth of the care-givers profession, which is likely to create new working opportunities (especially) for women. This will also positively influence the realization of workers with family responsibilities, that could have spill over effects on the labour markets (more details below).

* **Labour market**

In addition to the direct job-creation effect in the care economy, the development of the strategy and action plan of the childcare and family services at the national level will have another very strong impact on the labour market. The provision of high-quality, affordable and strategically situated care services can be expected to provide to workers with family responsibilities the opportunity to transfer part of their responsibilities to such care -centres. Consequently, compared to the status-quo, this option is expected reduce the unpaid workload on individuals performing family-related duties and supports their increased involvement in paid work activities, allowing to switch from part-time to full-time jobs and/or to enter the labour force altogether, increasing their labour force participation, reducing the participation gap between workers with family responsibilities and other workers. The availability of support services will also contribute to the reduction of the discriminatory behaviour that some employers seem to adopt towards workers with family responsibilities, insofar as they are perceived as less reliable and/or committed to satisfy the needs of the company in which their work. These impacts are particularly relevant for women. Considering that the increased involvement in the labour market allows also women to acquire more skills and experience, resulting in higher wages, another expected impact of the reform is the reduction in the gender-wage gap.

Finally, the development of a formal job market for care work can be expected to positively influence the job market opportunities of women who are currently unemployed or in vulnerable employment – such as those working as domestic workers – who will have more chances to move to enter a formal employment relationship.

* **Gender equality**

Thanks to the positive effects on the care economy and – more broadly – the labor market, the successful implementation of the development strategy envisioned in the policy option 1 can be expected to have a positive impact on gender equality, through the reduction in participation and wage gaps, as well as in discriminatory behaviours. Over the long-run these changes can be expected to translate into more progressive social norms and weaker gender stereotypes, and to a generalized increase in gender equality.

* **Social**

The implementation of the Policy Option 1 is expected to have multiple positive effects on the well-being of the society, particularly of the most vulnerable groups. As already mentioned, the increased access to affordable and reliable services will reduce the burden of workers with family responsibilities, resulting in higher labor force participation, less discrimination and smaller wage gaps. This can be expected to contribute to poverty reduction and to the reduction in the number of vulnerable households and individuals, with potentially long term (positive) effects also on public finances (see below). In addition to the improved labour market outcomes, and to the potential reduction in poverty and vulnerability, the development of care services and facilities is also likely to contribute directly to the increase in the well-being of those households and individuals that before could not satisfy their need for support either because it was inaccessible either due to high cost, or because such services were not available. In this regard, it would be advisable that the strategy and action plan explored the expected impacts on all socially vulnerable groups, in addition to those on workers with family responsibilities. Furthermore, a better-developed care system implies higher quality service provision compared to the status quo. This implies even larger benefits to the beneficiaries[[42]](#footnote-42), as well as better development opportunities for care takers and increased human capital in the country.

Lastly, the development of care services that should be facilitated by the strategy and action plan have the potential to positively influence social standing of families through creation of new (and higher quality) job opportunities described earlier. This improvement could be particularly relevant for those care workers whose households are socially vulnerable.

* **Public Finance**

The implementation of the Policy Option 1 can be expected to have a negative impact on the public budget compared to the status quo, especially in the short term.

Conducting a survey which is a representative at the municipal level will require setting aside additional resources for conducting such activity.

The development of the strategy and of the related action plan, as well as the monitoring of the implementation of the process, is also going to require additional resources.

Although, it is not in the scope of this regulatory impact assessment, the implementation of the strategy and action plan are also likely to lead to a substantial increase in government’s social expenditures, over the short term, as remedial measures are put in place. Part of the costs might be recovered already in the short term, thanks to increases in labor force participation and economic activity[[43]](#footnote-43). Moreover, over the long run, the positive effects on the economy and on the socially vulnerable groups within the population, coupled with the efficiency gains brought from the adoption of a better structured approach to care services provision, might reverse the impact, through a reduction in social expenditure and an increase in fiscal revenues.

* **Risks**

The elaboration of a centralized strategy and action plan includes risks as well. Firstly, since most of the activities will be performed at the centralized level, the government might not be able to capture all the specific issues that are relevant at the municipal level. Also, the implementation of the actions under the direction of the central authorities, with a limited scope for the tailoring of the measures to local characteristics, might lead to the less efficient policy outcomes. Moreover, due to the fact, that some community services (i.e. kindergartens) are under the direct responsibility of local municipalities, there is the risk of miscommunication and imperfect coordination between the central and local government bodies, giving rise to new sources of inefficiency.

Finally, there is the risk that - due to limited financial resources and to a low level of priority attributed to the issue under analysis - policy makers might decide not to take certain actions which would be efficient to take even when the successful implementation of the strategy would require them. This is especially relevant in case there is a lack of financial resources for the implementation of the action plan.

**Policy Option 2 – Development of municipal strategies and Implementation plan of the childcare and family services with national guidelines**

* **Administrative**

The implementation of the Policy Option 2 will also cause changes in the administrative burden of the state and local agencies.

Compared to the Policy Option 1, under this option the administrative burden on the existing GeoStat staff members for conducting the municipally representative survey will be much lower, because in this scenario the survey will be conducted by the externally hired workers and specialists. Also in this case, however, the questionnaire will have to be developed and tested, with the help of field experts, and to ensure quality and comparability of results, a certain degree of coordination (a function possibly assigned to GeoStat) would still be advisable. The saving in time and resources on GeoStat side will be more than offset by the increase in the workload of externally-hired workers and specialists and of municipal workers.

Choosing the appropriate candidates, making sure they are trained properly, and monitoring their work will increase the workload of the employees in local municipalities.

Like with Option 1, the collected data and analysis of survey findings should be reviewed both on local and on the central level. However, in this case the process might be more time-consuming and require a higher involvement from the central-government staff members because communication should happen with each municipality separately, and the central government will have to ensure the coordination of the implementation efforts.

To monitor the implementation process, administrative resources will be needed from the local municipalities as well as from the central government bodies.

To elaborate the unified national strategy, similar to the Policy Option 1, the coordination of the various administrative bodies will be required.

* **Care Economy**

The impact of the Policy Option 2 on the development of the care economy will be similar as under option 1. However, the decentralized creation of the local strategies and action plans could potentially lead to a better identification of needs of local workers with family responsibilities. In this case, the positive impact of the development of care services might be more conspicuous.

* **Labour Market**

Policy Option 2 will have the similar impact on the labour market outcomes, as Policy Option 1. However, proposed interventions will be better tailored to the needs on the local populations, thus women labour market participation rates might increase more within the municipalities, than under Option 1. Having the tailored municipal strategies can be expected to provide greater ownership for results and better implementation at the municipal level.

* **Gender Equality**

Development of the municipal strategies and implementation plans can be expected to affect gender equality at least as well as the development of centralized strategies, thanks to the tailoring of the municipal strategies to the local needs and peculiarities, within the broader framework of the national strategy.

* **Social**

The implementation of Policy Option 2 is expected to have impacts on society qualitatively similar to those of Policy Option 1, with a greater potential to satisfy local needs and to stimulate the adoption of better targeted policy alternatives, addressing more precisely the municipality-specific causes of vulnerability. Greater positive impacts can be expected also on the well-being of the most vulnerable individuals and households.

* **Public Finance**

The implementation of the policy Option 2 will also be associated with additional expenditures, including:

payments for designing and administering the baseline survey and the follow up surveys. However, unlike to the Option 1, cost will be shared between the central government and the local municipalities, who will manage the process locally. Furthermore, higher costs are expected compared to option 1 in terms of data analysis and reporting on the survey results, due to the fact that the data collection exercise will be performed in a decentralized manner around the country.

The costs of the elaboration of the strategy and action plan will be higher than in case of Policy Option 1. Under this scenario local self-governments will face higher expenditures to remunerate to those who work on the strategy than in the first scenario. This will not be offset by the reduction in costs incurred at the central level, as some degree of centralized planning and coordination will remain. Expenditures associated with this option should also include the local government and central government salary costs of the staff members who are responsible to monitor and evaluate the action implementation process. Also in this case, the implementation of the plan (outside the scope of this analysis) will require even additional resources, that we expect to be partially offset in the short-term by desirable socio-economic changes (and the associate increase in public revenues).

* **Risk**

The development of the municipal strategies increases the risk of poor coordination among the municipalities and with the central government.

Moreover, considering that the budget of local municipalities is relatively limited, the risk of neglecting efficient actions, or insufficient financial resources will be more severe, than under Policy option1. This risk is further compounded by the higher risk of the local strategy being captured by influential local interest groups, which might reduce its positive impact on the most vulnerable segments of the population.

Consequently, it is important that central government ensures provision of needed resources (especially financial) to form proper strategies and monitor their quality, their effectiveness and inclusiveness.

Compared to the Policy Option 1, the risk that local needs will not be fully reflected in the national strategy is significantly mitigated under this scenario (as long as the “capture” by influential local interest groups is avoided).

**Table 5. Summary Impact of Selected Options**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Impact** | **Type:**  **Direct**  **Indirect** | **Group(s) affected and/or other relevant indicator affected** | **Expected direction (positive/negative)** | **Expected Alternatives Influenced** |
| **Administrative** | | | | |
| Increased Workload of GeoStat staff to conduct survey | Direct | Geostat;  GoG | Negative | Option 1  Option 2 |
| Increased administrative burden on existing staff | Direct | Local municipalities;  GoG | Negative | Option 1  Option 2 |
| Need for monitoring of the implementation plan | Direct | GoG;  Local Municipalities | Negative | Option 2 |
| Need for monitoring of the implementation plan | Direct | GoG; | Negative | Option 1 |
| **Care Economy** | | | | |
| Accelerated development of care economy | Direct | Workers with family responsibilities;  Care takers;  Care-givers | Positive | Option 1  Option 2 |
| Provision of better-quality care services | Direct | Workers with family responsibilities;  Care takers;  Care-givers;  Other sectors | Positive | Option 1  Option 2 |
| New working opportunities of care-giver workers | Direct | Workers with family responsibilities;  Care takers;  Care-givers;  Other sectors | Positive | Option 1  Option 2 |
| Increased labour market participation of women | Direct | Workers with family responsibilities;  Care takers;  Other sectors | Positive | Option 1  Option 2 |
| **Labour Market** | | | | |
| Increased employment opportunities for women with family responsibilities and care-givers | Direct | Workers with family responsibilities;  Care takers;  Care givers;  Employers | Positive | Option 1  Option 2 |
| Increase in paid working hours of women | Direct | Workers with family responsibilities;  Care takers;  Employers | Positive | Option 1  Option 2 |
| Decreased participation gap between workers with and without family responsibilities | Direct | Workers with family responsibilities;  Other workers;  Employers | Positive | Option 1  Option 2 |
| Decreased discrimination on the labour market of workers with family responsibilities | Direct | Workers with family responsibilities;  Employers | Positive | Option 1  Option 2 |
| Decreased gender wage gap | Direct | Employees | Positive | Option 1  Option 2 |
| Increased availability of formal employment relationships | Direct | Unemployed women; Domestic workers in informal employment relationships;  Workers with family responsibilities;  Care takers | Positive | Option 1  Option 2 |
| **Gender Equality** | | | | |
| Increased gender equality | Direct | Workers with family responsibilities;  Care takers;  Employers | Positive | Option 1  Option 2 |
| Decreased gender stereotypes | Direct | Workers with family responsibilities;  Other employees;  Employers | Positive | Option 1  Option 2 |
| **Social** | | | | |
| Poverty reduction of vulnerable groups | Direct | Care-giver workers | Positive | Option 1  Option 2 |
| Improved labour market outcomes | Direct | Workers with family responsibilities;  Care-giver workers;  Employers | Positive | Option 1  Option 2 |
| Increased well-being of individuals who need care services to reduce their family responsibilities | Direct | Workers with family responsibilities;  Care-giver workers; | Positive | Option 1  Option 2 |
| Human capital development | Direct | Employers;  Employees;  GoG;  Local municipalities | Positive | Option 1  Option 2 |
| Increases social standing of care-giver workers | Direct | Care-giver workers;  Employers | Positive | Option 1  Option 2 |
| Increased equality in access to care | Direct | Households with care needs | Positive | Option 1  Option 2 |
| Increase in well-being of individuals in need of care | Indirect | Members of with care needs | Positive | Option 1  Option 2 |
| **Public Finance** | | | | |
| Cost of conducting survey | Direct | Geostat;  GoG | Negative | Option 1 |
| Cost of conducting survey | Direct | Local municipalities | Negative | Option 2 |
| Cost of elaboration of the strategy and action plan | Direct | GoG;  Local municipalities | Negative | Option 1  Option 2 |
| Cost of monitoring the process implementation | Direct | GoG;  Local municipalities | Negative | Option 1  Option 2 |
| Potential efficiency gains in government spending on development of care services | Indirect | GoG;  Local municipalities | Positive | Option 1  Option 2 |
| **Risks** | | | | |
| Lower incorporation of local needs in the strategy | Direct | GoG;  Local municipalities;  Workers with family responsibilities;  Care givers;  Care takers;  Employers | Negative | Option 1 |
| Miscommunication between GoG and local municipalities | Direct | GoG;  Local municipalities;  Workers with family responsibilities;  Care givers;  Care takers;  Employers | Negative | Option 1 |
| Miscommunication among local municipalities | Direct | GoG;  Local municipalities;  Workers with family responsibilities;  Care givers;  Care takers;  Employers | Negative | Option 2 |
| Insufficient available funds | Direct | Local municipalities;  Workers with family responsibilities;  Care givers;  Care takers;  Employers | Negative | Option 1  Option 2 |

## The Quantitative Assessment of the Costs of the Policy Options

The RIA team analysed the costs of the two policy options considering the estimated budgets of the two major activities envisaged in each of the options. The first activity is data gathering, either using the survey conducted in the centralized manner (regionally representative), or on the municipal level. For the data gathering exercise we assume, that the government will mobilize new resources, whether the data is gathered by Geostat, or is outsourced to the private sector. The second activity is the elaboration of the strategy for development of care services and facilities in the country to address issues of the workers with family responsibilities. For this activity to be conducted we assessed the possible budget for coming up with the comprehensive strategy. The assessment is done for the 5 years’ period. Over these years we assumed that the data gathering exercise will start in the first period and will require a year. Furthermore, the elaboration of the strategy will require another year. Each of the activities will be repeated three years after the first round has been conducted.

The first activity consists of the several cost categories: (i) analytical work needed to elaborate the questionnaire, (ii) survey planning, (iii) interviewer training costs, (iv) surveying, (v) database creation and (vi) an organization overhead. The expected unit costs and the level of effort is summarized in the table 6below:

**Table 6. Summary of the survey costs (GEL)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost Category** | **Unit Cost (GEL)** | **Level of effort (# of days)** | **Total Cost (GEL)** |
| 1. Questionnaire creation | 300 | 20 | 6,000 |
| 2. Sample planning | 400 | 10 | 4,000 |
| 3. Training cost | 300 | 5 | 1,500 |
| 4. Data base creation | 300 | 10 | 3,000 |
| **Total Fixed Costs** | **-** | **-** | **14,500** |
| Survey (interview, data entry and transportation) per filled questionnaire | 20 | - | - |
| **Overhead (share of total cost)** |  |  | **15%** |

The second activity for the elaboration of the comprehensive strategy is budgeted according to the team composition and expected workload for different team members. ISET PI used its own experience to elaborate this budget and cross-checked the figures with the representatives of the government administration, the private sector, and experts in elaboration of sectoral strategies. The Table 7 summarizes expected unit costs and level of effort needed for elaboration of the comprehensive strategy. In our cost assessment we assume that municipal (bottom-up – Option 2) and the national level (top-down – Option 1) strategies will require similar level of effort and thus will cost the same.

**Table 7. Summary of the strategy costs:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategy cost per municipality** | **Unit Cost (GEL)** | **Level of effort (# of days)** | **Total Cost (GEL)** |
| Team leader | 700 | 10 | 7,000 |
| Sector expert 1 (from kindergartens) | 500 | 10 | 5,000 |
| Sector expert 2 (Disabled) | 500 | 10 | 5,000 |
| Sector expert 3 (Elderly) | 500 | 10 | 5,000 |
| Researcher 1 | 250 | 15 | 3,750 |
| Researcher 2 | 250 | 15 | 3,750 |
| Researcher 3 | 250 | 15 | 3,750 |
| Focus groups and Site visits |  |  | 3,000 |
| **Total Cost of Strategy (including overhead – 15%)** |  |  | **41,688** |

Furthermore, as the assessment was conducted for the 5 years period, the social discount rate was selected to be to be an interest rate on 10-year government bonds in April 2020 (last auction available) – 10.2%, corresponding to a 6.56% real discount rate. Based on this assessment we calculated the net present value for the government. For the centralized strategy and action plan based on the described option we assumed the regionally representative survey, while for the municipal strategy the survey will be municipally representative. Table 8 reports these figures.

**Table 8. Summary of the net present value of costs for options for 5 years (GEL)**

|  |  |  |
| --- | --- | --- |
| **Cost Type** | **Option 1 – Centralized Strategies and Action Plans** | **Option 2 – Municipal Strategies and Action Plans** |
| NPV of Survey Costs | 424,359 | 4,402,009 |
| NPV of Strategy Costs | 67,047 | 67,047 |
| **Total NPV of Costs** | **491,406** | **4,469,056** |

# Comparing Options

The extent of the effectiveness for the Policy Options is measured in relation to the general objective of the government’s intervention, that is:

*Ensuring the provision of a sufficient quality and quantity of affordable childcare and family services, and facilities, to support current and potential workers with family responsibilities.*

While comparing the alternatives to identify the preferred one, we considered a number of criteria in addition to the cost of each alternative. These criteria are:

**Effectivenes**s: the capability to produce the desired results. In our case, the capability to:

1. Enabling the provision of affordable childcare and family services and facilities to address the needs of workers with family responsibilities

2. Ensuring sufficient availability of childcare and family services and facilities to address the needs of workers with family responsibilities

3. Developing the awareness within the society about the available childcare and family services and facilities

**Feasibility:** easiness of realization.

**Minimization of risks associated with all the offered policy options:**

* Inability of workers with family responsibilities to afford the care services to balance their work and life responsibilities;
* Inability of strategy and the action plan to take into account the variety of needs of workers with family responsibilities;
* Smaller communities being discriminated through not receiving sufficient services and facilities;
* Issues of coordination and counterproductive decisions between agencies managing different type of services and facilities;
* Lack of resources for implementation of action plan.

**Maximization of Potential Benefits:**

* Ability to create fruitful grounds for development of private care services;
* Addressing demand for care services from workers with family responsibilities;
* Development of the care sector;
* Increased employment due to development of care sector;
* Improved quality in delivery of care services;
* Removal of constraints for workers with family responsibilities;
* Decreased discrimination.

## Summary of Options

To provide a summary of the results, in the multi-criteria analysis we are giving points to different policy options. The points are varying from -5 to 5. The negative score represents decrease of efficiency compared to the status quo, while positive score represents increase in efficiency.

**Table 9. Comparison of Options Using Multi-Criteria Analysis**

|  |  |  |
| --- | --- | --- |
| **EVALUATION CRITERIA** | **Option 1 – Centralized Strategies and Action Plans** | **Option 2 – Municipal Strategies and Action Plans** |
| **Incremental Costs for the Government (GEL)** | 491,406 | 4,469,056 |
| **Effectiveness 1 – affordability of care services** | 1 | 2 |
| **Effectiveness 2 – sufficient availability** | 1 | 2 |
| **Effectiveness 3 – increased awareness** | 1 | 1 |
| **Feasibility / Ease to comply** | -2 | -3 |
| **Minimization of Potential Risks** | 1 | 1 |
| **Maximization of Potential Benefits** | 2 | 2 |

## Preferred Options

Our multi-criteria analysis shows that both options potentially lead to improvements compared to the status quo scenario. This is due to the fact, that currently government’s approach towards development of care sector is sporadic and primarily concerned with childcare services, while the increasing challenges faced by workers with family responsibility require a better informed, more structured and more comprehensive approach. The creation of a comprehensive strategy for the development of care services and facilities oriented towards satisfying the needs of workers with family responsibilities could remove the barriers faced by workers with domestic responsibilities, by creating a better match between service provision and actual demand. Benefits appear to be larger for option 2, mostly due to more tailored approach towards the needs of local communities. However, the bottom-up approach suggested in option 2 also results into higher difficulty in the implementation and in substantially higher implementation costs.

# Monitoring and Evaluation Plan

To keep track of the performance the reform, its impacts and modify the reform in case of any irregularities it is important to evaluate how well it responds to the policy objectives set in section II. The indicators suggested to evaluate the performance of the system are divided into three main categories: provision of affordable care services and facilities, availability of care services and awareness of the society about the available care services and facilities.

**Table 10. Indicators of progress towards meeting the objectives**

|  |  |  |
| --- | --- | --- |
| **Indicator** | **Frequency of Evaluation** | **Responsibility of Monitoring** |
| **Provision of affordable care services and facilities** | | |
| Service cost as a share of median household income (%) | Yearly | Local Municipalities  MoLSHA |
| Service cost as a share of women’s median wage (%) | Yearly | Local Municipalities  MoLSHA |
| % Women naming unaffordability of childcare and/or family services as a reason for not participating on the labour market | Yearly | Local Municipalities  MoLSHA |
| Take-up rate of childcare and family services | Yearly | Local Municipalities  MoLSHA |
| **Availability of care services and facilities** | | |
| Amount of time needed to reach childcare and family service | Quarterly | Local Municipalities  MRDI |
| # of people per caretakers | Quarterly | Local Municipalities  MoLSHA |
| # of service providers complying with standards within municipality and territorial district | Yearly | Local Municipalities  MoH  MRDI |
| # of care and family services by type within municipality and territorial district | Yearly | Local Municipalities  MoLSHA |
| % Women naming unavailability of childcare and/or family services as a reason for not participating on the labour market | Yearly | Local Municipalities  MoLSHA |
| Take-up rate of childcare and family services | Yearly | Local Municipalities  MoLSHA |
| Share of facilities complying with the required standards by type (%) | Yearly | Local Municipalities  MoLSHA  MRDI |
| Share of caretakers with relevant qualification (%) | Yearly | Local Municipalities  MoLSHA  MOE |
| # of trainings and certification programs for different types of caretakers | Yearly | Local Municipalities  MoLSHa  MOE |
| **Awareness of the society about the available care services and facilities** | | |
| Take-up rate of childcare and family services | Yearly | Local Municipalities  MoLSHa |
| Level of awareness of workers with family responsibilities about the available childcare and family services and facilities | Yearly | Local Municipalities  MoLSHA |

# Public Consultation Process

## Organisation and Timing

The Regulatory Impact Assessment (RIA) of the ILO Workers With Family Responsibilities Convention 156 was implemented between November 2019 and July 2020.

In November 2019, ISET Policy Institute project team started initial preparatory work to conduct the RIA process. Specifically, ISET Policy Institute reviewed in detail ILO Convention 156. The team identified potential policy topics to conduct the regulatory impact assessment.

November – January, the RIA team started checking the available data, performing a review of the relevant literature.

ISET Policy Institute presented possible RIA topic to tripartite working group (employer’s association, trade unions and government) in February.

The RIA process was slowed down by the COVID 19 crisis between March-April. Since May, the RIA team renewed working on the topic at regular speed.

The RIA team included ISET-PI researchers and was supervised by ISET Associate Professor Norberto Pignatti and supported by the external legal consultant Nino Kashakashvili. The team included researchers with experience in labour economics, public policy, regulation, gender economics, CBA and RIA. Tasks were divided in accordance with competences of the researchers.

The decision-making approach adopted by the team was collegial and coordinated by the team leader.

## Consultation and Expertise

Data collection took place throughout the project implementation period. The consultations with various stakeholders mainly took place during Jun- July 2020.

The first step was identifying the main stakeholders and categorizing them in an influence-interest matrix format. Table 11 presents this matrix.

**Table 11. Stakeholder Influence-Interest Matrix**

|  |  |  |
| --- | --- | --- |
| **INFLUENCE / INTEREST** | **LOW INFLUENCE** | **HIGH INFLUENCE** |
| **Low Interest** | Labour market experts  Human Rights NGOs / Foundations | Ministry of Finance |
| **High Interest** | UN Women  UNFPA  UNDP  Gender experts  Gender Council of the Parliament  Private employment agencies  EMC  Care Centers (for disabled, elderly)  Kindergartens  Special schools for disabled children  Workers with family responsibilities | Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia  Labour Inspectorate  Parliament of Georgia: Committee for Health and Labour Issues  Trade Unions  Employers association  Ombudsmen  Municipalities |

During the period June 19, 2020 - July 31, 2020 the RIA team has conducted 10 in-depth interviews with sector stakeholders to identify problems and possible policy alternatives. Due to the worldwide outbreak of the COVID-19 the consultations were conducted remotely at every occasion. Table 12 summarizes the list of interviewees stakeholders. The detailed summary of the stakeholder interviews is provided in the Annex 2.

**Table 12. List of Interviewed Stakeholders**

|  |  |  |  |
| --- | --- | --- | --- |
| **STAKEHOLDER** | **ORGANZIATION** | **POZITION** | **INTERVIEW DATE** |
| **Lela Gvishiani** | The Human Rights Education and Monitoring Center (EMC) | Legal Expert | 19.06.2020 |
| **Emilia Gabriadze** | Tkibuli Municipality | Head of Kindergarten Union | 22.06.2020 |
| **Keti Shubashvili** | Public Defender Office of Georgia | Public Defender Office of Georgia, | 23.06.2020 |
| **Mahjabeen Alarakhia** | UN Women | Program Specialist – Women’s Economic Empowerment | 24.06.2020 |
| **Raisa Liparteliani** | Trade Union | Vice President | 08.07.2020 |
| **Kinan Bahnassi** | Intranational Labour Organization | Chief Technical Advisor | 08.07.2020 |
| **Marika Dumbadze**, | Georgian Young Lawyers Association | Lawyer | 09.07.2020 |
| **Levan Abashidze** | Georgian Young Lawyers Association | Head of the Monitoring Division at the Labour Conditions Inspectorate Department | 10.07.2020 |
| **Irma Gelashvili** | Head of the Monitoring Division at the Labour Conditions Inspectorate Department | Chief Specialist at Labour relations and social partnership division at labour and employment department | 21.07.2020 |
| **Zakaria Shveleidze** |  | Legal Expert | 31.07.2020 |

As a result of the of consultations and information gathering, the following data and information were collected.

**Table 13. Data and Information Collected**

|  |  |
| --- | --- |
| DATA AND INFORMATION | METHODS USED/SOURCE |
| International experience on workers with family responsivities’ working conditions | Desk research |
| Economic activity of workers with family responsibilities | Desk research, particularly an analysis of labour force survey database 2017-2019 year |
| Reasons of unemployment and economic inactivity by gender | Desk research, particularly an analysis of UN Women Survey Data |
| Labour Market outcomes of male and female workers | Desk research, particularly an analysis of UN Women Survey Data labour force survey database 2017-2019 year |
| Cost of conducting survey and elaborating strategy | Desk Research |

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# Appendix

## Annex 1 – The Process of Selecting the RIA Topic

Since November 2019, ISET Policy Institute project team started initial preparatory work to conduct the regulatory impact assessment process. Specifically, ISET Policy Institute reviewed in detail ILO Convention 156. The ISET Policy Institute team, supported by the legal expert, conducted legal gap analysis of Georgian legislation against ILO convention, relevant international and national literature review. During the analysis several legislative gaps were identified, including the absence of a definition of “worker with family responsibilities” in the Georgian legislation, the absence of the definition of the principle of equal pay for equal work (The Law on the Public Service stipulates that the remuneration system for public servants be based on the values of transparency and fairness, and on the principle of equal pay for equal work. However, the principle is not clearly defined. Moreover, the guarantee does not exist for private sector employees), no legal provision for private sector employees to the additional child care leave absence, employees are not guaranteed to be able to return to work after maternity leave, shortcomings in the provision of community services etc. Based on this analysis the RIA team identified potential policy actions which would be needed to prepare country for the ratification of the convention. These potential policy actions were:

1. Creating a definition of workers with family responsibilities;
2. Introduction of family-related leave, non-discriminative approach;
3. Community planning and vocational education integrating the needs of workers with family responsibilities;
4. Introducing the guaranteed right to return to work following family leave and protection from dismissal.

The ISET Policy Institute team together with the UN Women representative presented short summary of the preparatory work and of the potential policy options as RIA topics to the tripartite working group in February 2020. During the presentation a special emphasis was placed on stressing how the process of harmonization Georgian legislative and policy environment to ILO convention could benefit from the upcoming RIA. The members of tripartite working group discussed all four topics and decided to choose #3 topic - community planning and vocational education integrating the needs of workers with family responsibilities – suggesting an emphasis on community planning and the provision of community services – as the preferred one for the RIA exercise.

## Annex 2 – Stakeholder Consultations

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| --- |
| **Lela Gvishiani,** The Human Rights Education and Monitoring Center (EMC), Legal Expert, In-depth Interview (19.06.2020) |
| * According to the respondent, there are cases when employees are discriminated at job due to their family responsibilities (including child care, elderly care and care of the person with disabilities). In the most of the cases the form of discrimination is either firing or not giving opportunity for career advancement. * There are cases when discriminated employees are applying to the court. However, the process is bureaucratic and time consuming. In Georgia we do not have a labour court (which would be specialized on the issues related to the employer-employee relations). For this reason, the court process might take up to 3 years to get the result. In addition, in Georgia some labour contracts are signed for unlimited times, while others are for limited time (i.e. 3 months, 1 year etc.). Due to the long-term court procedures the outcome of the court decision might differ – there are several cases when employee won the court process, but since the contract was already expired it was impossible to recover employee at job and she/he could only get a monetary compensation. If the contract is for unlimited time period and the employee wins the court process, then she/he is recovered at job and also gets a full remuneration that she/he was supposed to get from the day of hiring to the recovery date. * Affordability of the court is also an issue. For the first instance of the court the fee is 100 GEL, 2nd instance - 150 Gel and 3rd instance - 300 GEL. Employee is not obliged to pay a fee only if employee applies to the court because employer does not pay a salary or a person is socially vulnerable or a disabled person. Furthermore, cost of the hiring the lawyer is also high. There are programs to support employees to apply to the court. For example, for socially vulnerable persons lawyer assistance is provided by the government free of charge, also some NGOs can provide free legal consolations but with very limited resources. * Proving that the real reason of firing of the employee was her family responsibilities is very hard, because usually all the evidences (such as accounting of arriving at work etc.) are hold by the employee. * The stakeholder thinks that there are some major gaps in the Georgian legislation that should be solved to prevent workers from discrimination due to the family responsibilities: labour code should define that time-limited contracts can be signed only for the probationary period (no more than 3 month), otherwise it should be unlimited time contract; employers should be obliged to have written contracts and remuneration should not be given in cash (this would give more prevention mechanisms to the employee); remuneration of the overtime work is not well defined in the legislation, it only says that remuneration of the overtime work should be higher than standard rate and there are cases when employers increase remuneration only by 10 Georgian Tetri. * Enforcement of the existing legislation is also an issue. For example, there are cases when the contract is renewed in each month, also sometimes employers offer less vacation days to the worker than defined under the labour code, which is a violation of the law. However, if employee does not ask the court to solve the issue, labour inspector is not interested in. However, the low involvement of the job inspector is due to the existing legislation. Currently the inspector is only obliged to check the safety standards at job place and they do not check if there are discrimination, unpaid overtime-work or other law violations. * Social care system needs significant improvements in the country, including provision of kindergartens, care centers etc. The liabilities of the employer in this direction is very limited. In Georgia there are very few companies that can provide some supporting services to the employees. However, there are successful international cases when the government subsidizes the private sector and with the joint effort, they provide supporting services to the employees. |
| **Emilia Gabriadze,** Head of Kindergarten Union of Tkibuli Municipality, In-depth Interview (22.06.2020) |
| * The law on pre-school education legislated in 2016 created new responsibilities and requirements for the kindergartens. The regulations and standards are set from the perspective of many institutions (starting from education to health Ministries), however all this has to be executed with the resources of the municipality. * Municipal resources are frequently insufficient. In Tkibuli, they are trying to renovate some of the kindergartens, however resources are not sufficient for proper renovation. Lack of needed number of toys and other resources is another issue, that is also due to lack of financial resources. They are trying to make all infrastructure ready for authorization. Although, authorization rules are not yet finalized. * Qualification of preschool teachers is an issue; they have hard time finding people with needed abilities to take care of small children (being active all day long). There is a model for increasing qualification of the teachers set by the central government however it has not yet been implemented. They are looking forward for this training, however this will have to be done with their own financial resources (that they tried to mobilize this year). * Very low pay of the caretakers (teachers) is a big issue. A person working 6-7 hours non-stop a day has on average GEL 260-240 per months. * They have right to provide additional services with their charter, however there has not been a demand for services like overtime stay of children etc. * They work from 8:30 in the morning to 6:30 in the evening, thus having 9 hours’ service for children. In addition, they have summer kindergarten services for free. For the summer kindergartens they are close the year at the end of July instead of 30th of June. In the past (2016) before kindergartens became fully free the monthly pay was GEL 10. * As for the taking of the children from the kindergartens, they have specific rules and lists of the people who are eligible. Most frequently mothers and grandmothers take children from kindergartens and then fathers. However, local context of the Tkibuli municipality has to be considered i.e. many women are migrant workers abroad. |
| **Keti Shubashvili**, Public Defender Office of Georgia, Head of anti-discrimination department. In-depth Interview. 23.06.2020 |
| * The respondent thinks that one of the main challenges for workers with family responsibilities is that family responsibilities are not defined by the legislation. In addition, domestic work is not counted as an employment and workers are left beyond the benefits that they can receive for formal employment (i.e. women cannot accumulate pension fund when they have family responsibilities and cannot be participate in the labour market due to these responsibilities). * Vacancies provided by the employee also include some discrimination of women with family responsibilities – for managerial (and more high-level) positions they require man more often than woman, and if they allow women, they request her not to be married. This behaviour is explained by their stereotypical attitude that women are responsible for domestic work and they will not be productive at work. * Provision of public services is also a problem. Especially provision of public kindergartens - they are providing service only till 6 o’clock which coincides the working hours of parents. * The public defender office has cases when pregnant ladies were fired from work. However, there are cases when the maternity leave period coincides with the period when labour agreement expires and employees use this to fire pregnant workers or workers with new-born kids. * They had few cases when fired woman was returned to job, or was paid a compensation. However, this is not a common case. * The mandate of labour inspector covers all types of economic activities. From September 1, 2019 its mandate was strengthened and they can check any conditions of labour contract, including working hours, overtime work etc. However, the problem is that employees are sometimes trying to avoid communication with labour inspector. |
| **Mahjabeen Alarakhia,** UN Women, Program Specialist – Women’s Economic Empowerment. In-Depth Interview (24.06.2020) |
| * The respondent think that the major challenge is that due to the family responsibilities women face high time burden and they do not have enough time to be involved in paid work. If after performing all family responsibilities women are left with some time, this time is so small that it is not financially reasonable to participate in labour market. * According to the stakeholder, the main problems related to the provision of kindergartens are the following: distance of the kindergartens (from home or workplace), availability of public transport (to/from kindergartens), working hours of kindergartens do not align with working hours of employed parents. * Regarding the care of disabled persons, the government issues monetary allowances for such persons. In order to get the monetary support a person should submit medical documentation that she/he is allowed to get the assistance. The problem is that sometimes people do not know how to get the medical documentation. In addition, stigmatized approach towards persons with disabilities is also a problem. Families do not want to declare that their family member is a person with disabilities. According to the stakeholder, recent research shows that the effect of stigmatized approach is larger on girls than on boys. Also, sometimes families want to isolate their kids with disabilities from the rest of society. * Elderly Care – in Georgia usually families leave as big households. On one hand, it can be argued that grandparents can help to the working parents to take care on their kids. However, with the aging of elderly it becomes more burden (especially for women) to take care on elderly. Considering the fact that Georgia has aging population it is expected that burden of aging population on women will be increasing in the future. * Care economics is an important aspect to be considered. The research shows that women leaving labour force at the reproductive age and come back after that age. If the same amount of investments is implemented in care economy as in infrastructure projects that would create twice more job places especially for women (than created in infrastructural projects). In care economy the provision of care services can be done as individual care persons, or establishing care centers. In many countries a hybrid model is widely used – individual care is provided at home but this is managed by the government. * Regarding providing kindergartens and such type of care centers, a hybrid model can be used – when standards are set by the central government across the country but employers are provided by the local municipalities. * Private sector can also be a provider of the care centers, like it is implemented in healthcare system. * Employers should acknowledge the family responsibilities of their employees in different ways: reduced and or flexible working hours, allowing them to work from home (if workers are efficient at home and they need this due to their family responsibilities), providing specific workplace arrangement, such as providing day care places. * The role of international organization in lobbying adopting the convention (C156) is to show the government that there are direct linkages between supporting women with family responsibilities and economic growth and development. |
| **Raisa Liparteliani**, Trade Union, Vice President, In-depth interview (08.07.2020) |
| * There are twelve cases filed by the trade union in the court, which consist complaints of women who have been fired during their pregnancy or maternity leave period. * The cases of discrimination have been revealed not only during the working period but also before the contract period. The women who have been rejected because of their pregnancy have also applied to the trade unions for help. * The stakeholder claims that there are special questions related to the family responsibilities, the plans of marriage etc. during the job interviews which are targeted only at female applicants. If female applicants have family responsibilities, they are less likely to be hired. * The cases of discrimination in terms of career advancements have been also revealed. The stakeholder states that only 21% female representation in managerial positions proves the fact. Moreover, 67% of public workers are male. * Discrimination in terms of wages has also been revealed in public sector, female and male directors of the museums had different salaries for the same responsibilities. * The stakeholder stated that they had a case when a company had short -term contracts for all workers and after expiration date they fired the ones who had family responsibilities. * Detection of discrimination is hard. Nevertheless, some employers reveal their motives naively. It does not mean that employees are always able to win the case at the court, though. * Discrimination facts are not differently revealed for people with different qualification. * Workers with family responsibilities are not supported by the employers (lack of flexible hours, adaptive environment, lack of places at work to leave their children behind, lack of paid absent work due to family responsibilities). * The majority of businesses in Georgia do not have long-term vision to consider well-being of their workers. * There are number of norms which need to be changed in the current legislation, giving opportunities for more flexible working hours, consideration of family responsibilities while talking about night-shifts etc. * During the COVID -19 pandemic it has been revealed that there are possibilities for distant working and the workers with family responsibilities can be given such an opportunity in case of need. * Workers’ family responsibilities should be considered while companies make decisions about business trips. * The stakeholder thinks that the state should take a responsibility to invest in care economy. Two years ago, the Trade Union conducted a study based on examples of eight countries, which revealed the positive implications of investments in care economy on gender equality. * Nowadays, the labor inspectorate does not have any mandate to avoid discrimination at the workplace, as they mostly concentrate on work safety issues. |
| **Kinan Bahnassi,** Intranational Labour Organization, Chief Technical Advisor, In-depth interview (08.07.2020) |
| * Ratification of the ILO conventions in the country will not be possible without consequent legislative changes. * Majority of women work as low skilled workers. There is a clear vertical segregation – men tend to work more often in higher level positions than women. If we look at the horizontal level, there are also some disparities among wages for the man and women (working on the same level positions). But we cannot state that this is a discrimination of women, but this comes due to the labour market dynamics and perceptions. One of the possible explanations is that men usually chose more scientific professions, such as engineering, construction etc. While women choose social work, teaching etc. which are usually less paid jobs. Considering these characteristics of the labour market we cannot clearly state whether family responsibilities negatively effect on labour market outcomes of women (such as employment, wages, promotion etc.) or not. * Care sector is completely hidden sector and there is very few research available on this topic. This refer to the personal care-takes (such as nurses) as well as more institutionalized service provides such as kindergartens. * According to the stakeholder, it is important to understand the importance of the care economy and this should be defined under the legal framework as well. In addition, it is essential to improve education skills of the workers in care services. It would be important to introduce intermediates as well, who would connect job seekers and care-service providers to each other. |
| **Marika Dumbadze**, Georgian Young Lawyers Association, lawyer, In -depth interview (09.07.2020) |
| * According to the stakeholder there have been a case when a worker with family responsibilities was fired because she required flexible timetable to take care on the dependent person. * In the Georgian legislation rights of the vulnerable group of people (i.e. people with disabilities, elderly etc.) are more-or-less protected. For example, the law defines that a person with disabilities should not work overtime. But there is no specific provision to the rights of the workers who have to take care of person with disabilities. This can be defined as a discriminative approach towards the workers with family responsibilities, because workers who have different family conditions (some have family responsibilities, other not) are treated equally. * When it refers to the parents of the kids, the law defines that parent can take a paid leave because of the illness of the kid under 7 year. However, such provision does not apply to any the circumstances when a worker needs to take care on elderly, person with disabilities etc. With this regard the amendment of the legal framework is essential. For example, workers should be allowed to get a legal notice from the hospital that she/he has to take care on the dependent person and be given a paid leave. * If a discriminated worker with family responsibilities decides to apply to the court, affordability is an issue:  1. To make a compliant at the court requires specific knowledge and competence, which usually workers do not have; 2. Hiring a lawyer is costly. There are number of organizations who provide free legal consultations and assistance, but they are mostly oriented to support the most vulnerable group of people.; 3. There are number of payments required during the process. For example, if a worker was fired, the official reason of firing was a disciplinary issue and worker believes that she/he was fired based on discrimination that person has to pay the following fees: fee to cancel the employers decisions (1st refers to the decision about disciplinary issue and 2nd refers to the fire), which is 100 Gel per decision (there are some cases when for cancelling several decisions court requires only one time payment of 100 Gel, while in other cases they require separately per each decision); if a person asks for the compensation she/he should pay 3% of the compensation (but at least 100GEL and no more than 3000 GEL). There are also additional costs such as hiring lawyer, providing required documentations etc. 4. People usually do not know that they can request for the postponing or cancelling the fees. However, this is a complicated process and the request is not always satisfied. 5. Attending the court – in the 1st instance it is not mandatory to have a lawyer, a person can defend herself on her/his own, however, an issue is how well a worker can defend her/himself without the assistance of the lawyer.  * It is hard to prove that a person was fired based on discriminative issues. According to the law on the Elimination of All Forms of Discrimination, an employee is obliged to provide a reasonable justification that she/he was fired due to discrimination, which can be a message (which include discriminative notices), witness testimony etc. * Sometimes people prefer to apply to the public defender office rather than court because it is too complicated process for them to apply to the court. However, the results of the decision of these two institutions is different. The public defender can only provide recommendations based on the decision, while the court has enforcement mechanisms as well. * It is essential to enlarge the rights of the labour inspector. Inspector should check conditions at workplace into the multiple dimensions (including detecting discriminative practices) on a regular basis. |
| **Levan Abashidze,** Labour Inspector, Head of the Monitoring Division at the Labour Conditions Inspectorate Department, In-depth interview (10.07.2020) |
| * The labour inspectorate did not have any appeals related to workers’ discrimination due to his/her family responsibilities. * The labour inspectorate does not have any rights to sanction the employer even in case that there was a discrimination because of workers’ family responsibilities. In this case the mandate of the labour inspectorate is limited to provision of recommendations. * At this stage as there is no specific definition in the legal framework the responsibilities and mandate of the labour inspectorate is also limited. |
| **Lejo Sibbel,** International Labour Organization, Law Specialist, In-depth Interview (21.07.2020) |
| * There are problems related to the workers with family responsibilities in two main directions: first it is a current legislation – legislation does not make particular arrangement of workers with family responsibilities and any specific provisions are related only on maternity leave from the perspective of taking care on kids; while responsibilities of caring other family members are not covered under the legislation. Another issue is cultural characteristics – it is pe4rceived that any family related work should be performed by woman. * The existing legal gaps in the current legislation are as follows: * Definition of different types of workers (including workers with family responsibilities); * Regulation of part time work, and giving possibility to employees to work part time to be able to perform their family responsibilities; * Calculate working hours based on weakly average working hours, rather than dally basis. Employers should recognize that part time worker does not necessarily mean low productive worker. * Cost of the care services is also an issue. If parents want to get high quality childcare service then they should pay high share of their salaries, which is hard to balance. |
| **Irma Gelashvili,** Chief Specialist at Labour relations and social partnership division at labour and employment department. Ministry of Internally Displaced Persons from the Occupied Territories, labour, health and social affairs of Georgia. In-depth Interview (21.07.2020) |
| * Workers have right to take leave for taking care of family members. Based on decree 281 / N of the Minister of IDPs, labour, health and social affairs of Georgia upon provision of the statement from the hospital about illness of the relative, or dependent a person is entitled to the leave from 3-7 days. However, definition of the dependent, or the relative is hard. * Mrs. Gelashvili thinks that there is the role of the employer in provision of needed care services for workers with family responsibilities, however some incentives should be provided for the employers to take these obligations. * Mrs. Gelashvili thinks that greatest role for development of care services is with the municipalities and the Ministry of Regional Development and Infrastructure of Georgia, as it is the main entity in the central government working with municipalities. |
| **Zakaria Shveleidze**, Legal expert, In -depth interview (31.07.2020) |
| * The stakeholder states that there is a definition of a family status in the labor code. The labor code prohibits discrimination against people due to their family status. Consequently, this statement protects from discrimination in case of any family responsibility. * There are rights to take a leave for childcare, it is not paid, it is article 30 of the current labor code. * The stakeholder cannot say that there are particular changes in this regard in the current draft labor law. The business opposes very much any kind of changes in this direction. * There are rights not particularly for workers with family responsibilities, but there are rights for people who are guardians or legal representatives of disabled children. The can take a day-off during the month. |

1. C156 - Workers with Family Responsibilities Convention, Art. 1 (1) (2) (1981). [↑](#footnote-ref-1)
2. In Georgia, women are usually responsible for unpaid household activities such as cooking and cleaning. In addition, women remain predominantly responsible for child and elderly care. Women in working age report that they spend approximately 17 hours a week on care activities, while men spend less than 4 hours. [↑](#footnote-ref-2)
3. C156 - Workers with Family Responsibilities Convention, Art. 5 (1981). [↑](#footnote-ref-3)
4. More details in Annex 1. [↑](#footnote-ref-4)
5. C156 - Workers with Family Responsibilities Convention, Art. 4. (1981). [↑](#footnote-ref-5)
6. C156 - Workers with Family Responsibilities Convention, Art. 4. (1981). [↑](#footnote-ref-6)
7. C156 - Workers with Family Responsibilities Convention, Art. 5. (1981). [↑](#footnote-ref-7)
8. C156 - Workers with Family Responsibilities Convention, Art. 5. (1981). [↑](#footnote-ref-8)
9. C156 - Workers with Family Responsibilities Convention, Art. 6 (1981). [↑](#footnote-ref-9)
10. C156 - Workers with Family Responsibilities Convention, Art. 7 (1981). [↑](#footnote-ref-10)
11. C156 - Workers with Family Responsibilities Convention, Art. 1 (1) (2) (1981). [↑](#footnote-ref-11)
12. C156 - Workers with Family Responsibilities Convention, Art. 1 (3) (1981). [↑](#footnote-ref-12)
13. Organic Law of Georgia “Labour Code of Georgia”, Art. 27-30; Art. 19; Art. 37 (3) c). [↑](#footnote-ref-13)
14. Law of Georgia “On Civil Service”, Art. 61 (5) (6). [↑](#footnote-ref-14)
15. For more details see annex 1. [↑](#footnote-ref-15)
16. C156 - Workers with Family Responsibilities Convention, Art. 5 (1981). [↑](#footnote-ref-16)
17. Law of Georgia “On Early and Preschool Education”, Art. 7. [↑](#footnote-ref-17)
18. Law of Georgia “On Early and Preschool Education”, Art. 8 [↑](#footnote-ref-18)
19. Law of Georgia “On Early and Preschool Education”, Art. 9 [↑](#footnote-ref-19)
20. Law of Georgia “On Early and Preschool Education”, Art. 10 (1) [↑](#footnote-ref-20)
21. Law of Georgia “On Early and Preschool Education”, Art. 11-12 [↑](#footnote-ref-21)
22. See: Order of the Minister of Labour, Health and Social Affairs of Georgia №01-54 “On Approval of Minimum Standards for Services for Persons with Disabilities and the Elderly in Specialized Day Care Institutions” (2014). Resolution of the Government of Georgia “On the Approval of the Statute of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia”, Art. 3 (r) [↑](#footnote-ref-22)
23. The problems of workers with family responsibilities could be also addressed from the regulatory perspective, i.e. through initiated changes in the current labour code of Georgia. This includes changes related to the maximum working hours, mandatory weekly rest time, maternity rights, strengthening the rights of labour inspectorate etc. However, as explained above, the tripartite working group asked the RIA team to ignore this aspect and focus on the provision of family services. [↑](#footnote-ref-23)
24. For the purposes of this report, when we refer to the UN Women Survey data, we call unemployed to a person who reported that did not work and had been looking for a job during the last 4 weeks. We call economically inactive to a person, who did not work and had not been looking for a job during the last 4 weeks but is available to start work within next 14 days. Even though in the Un women survey such respondents were called as ‘not working’ persons, in this study we refer to the international definitions of unemployment and economic inactivity (i.e. [Eurostat](https://ec.europa.eu/eurostat/web/lfs/methodology/main-concepts) and [Jstor](https://www.jstor.org/stable/2950934?seq=1#metadata_info_tab_contents)). [↑](#footnote-ref-24)
25. Working age is defined based on the GeoStat definition, for women 15-60 year and for men 15-65 years. [↑](#footnote-ref-25)
26. According to the authors’ calculations based on UN Women 2018 Survey data, employed woman spends almost 14 hours a week on care activities (13 hours on childcare and less than 1 hour on other family members care), while unemployed women spends more than 20 hours on care activities (19 hours on childcare and more than 1 hour on other family members care). [↑](#footnote-ref-26)
27. Family-to-work conflict depends mainly on family stressors and affects work outcomes. [↑](#footnote-ref-27)
28. Work-to-family conflict is determined mainly by work stressors and affects family outcomes. [↑](#footnote-ref-28)
29. Motherhood penalty can be defined as the amount each additional child lowers women’s earnings. [↑](#footnote-ref-29)
30. Authors own calculations based on GeoStat Labour Survey Data in 2019. [↑](#footnote-ref-30)
31. For example, in Italy Having a kid at the age 0-3 reduces employment probability of women by 6.4% and having kids at the age 6-12 reduces it by 2.2% (Patimo R. 2017). [↑](#footnote-ref-31)
32. West and East Germany exhibit striking differences: policies to increase child care availability for children aged 0-2 are quite recent in West Germany, while East Germany’s longstanding tradition of child care investment means that the service is already more widespread. In the United Kingdom, access to public child care has traditionally been limited and targeted to households in need. In France, generous subsidies are available to offset the costs of child care centers as well as care by child minders, and they are distributed according to a uniform, nationwide standard (Boca D. 2015). [↑](#footnote-ref-32)
33. [Protection of Human Rights and Freedoms in Georgia, Report on the Situation in 2019, Public Defender of Georgia](http://www.ombudsman.ge/res/docs/2020040215365449134.pdf) [↑](#footnote-ref-33)
34. According to the Georgian Legislation, maternity leave remuneration paid by the Social Service Agency should not exceed 1,000 GEL [↑](#footnote-ref-34)
35. The working hours of the public kindergartens are 9:00-18:00, which coincides with the working hours of the standard full-time job [↑](#footnote-ref-35)
36. The elderly group includes women over the age of 60 and men over the age of 65. [↑](#footnote-ref-36)
37. [International Day of Older Persons, Public Defender of Georgia](http://www.ombudsman.ge/geo/akhali-ambebi/khandazmulta-saertashoriso-dghe) [↑](#footnote-ref-37)
38. There are two age groups treated separately: 6-18 years old and above 18. [↑](#footnote-ref-38)
39. Rights of Persons with Disabilities in Georgia, Public Defender of Georgia, 20 (2016). [↑](#footnote-ref-39)
40. For example, according to ILO R165, public and private sector organizations, in particular employers’ and workers’ organizations should in cooperation collect information needs of workers with family responsibilities engaged in or seeking employment. The information should be gathered through systemic surveys conducted in local communities to identify needs preferences for child-care and family services and facilities. Based on revealed needs and preferences public and private organizations concerned should encourage plans for systemic development of those services. The public and private organizations concerned should themselves organize and facilitate development of child-care and family services and facilities, that are affordable for workers based on their ability to pay. [↑](#footnote-ref-40)
41. Information about both data that are currently collected and those that are going to be collected in the near future suggests the need for a specific data collection effort to collect relevant information. For example, while most Municipalities are collecting some data on children’s participation in care services, the information collected is not sufficient to assess the real extent of the needs in this and in other areas, nor to monitor the path towards the satisfaction of the workers with family responsibilities’ needs, or evaluate accurately the impact of the actions to be undertaken. For the purpose of the development and updating of the strategy, the efforts to collect data should be reorganized to ensure the regular and timely collection of relevant information about the provision and take up of these service as well as of other support services for workers with family responsibilities. Even parallel data collection efforts from other actors fall short of the needs. For example, while UN Women is organizing the time use survey, that could theoretically be used to gather some information about the needs for childcare and other family services, the survey does not cover all topics of interests and is representative just at the rural/urban level. Therefore, it would be unsuitable for a detailed mapping of the needs of workers with domestic responsibilities at (at least) the regional level. [↑](#footnote-ref-41)
42. For example, children from poor households having access to better quality care. https://unesdoc.unesco.org/ark:/48223/pf0000137407 [↑](#footnote-ref-42)
43. Ilkkaracan, I. K. Kim and T. Kaya. (2015) The Impact of Public Investment in Social Care Services on Employment, Gender Equality and Poverty. ITU WSC-SET, the Levy Economics Institute, ILO, UNDP and UN Women, İstanbul. [↑](#footnote-ref-43)