POPULATION SITUATION ANALYSIS (PSA)

GEORGIA 2014

FINAL REPORT

UNFPA

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United Nations Population Fund

Tbilisi, Georgia

2015

The present Population Situation Analysis (PSA) was carried out by the UNFPA Country Office in Georgia, in close collaboration with the Policy Analysis, Strategic Planning & Coordination Department of the Government of Georgia Administration.

The opinions expressed herein are those of the authors and do not necessarily reflect the views of the United Nations Population Fund.

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FOREWORD

UNFPA is pleased to present the Population Situation Analysis (PSA) in Georgia, a comprehensive report that provides an integrated appraisal of the population and reproductive health dynamics and their linkages and impacts on poverty, inequality and development. The study is based on sound methodology, involving a multi-sectoral team of national and international experts. The study went through extensive consultations and review process by stakeholders and experts. This study was initiated by the Administration of the Government of Georgia and UNFPA at a time when Georgia had made significant progress in achieving International Conference on Population and Development Programme of Action (ICPD PoA) and the Millennium Development Goals (MDGs) in several areas but still needed to consolidate the achievements.

The PSA report describes the overall situation of the well-being of the people of Georgia, informing the entire spectrum of stakeholders on the progress and challenges in population and development field. The report presents information on the following key thematic areas: Population Dynamics and Development; Socio-Economic and Political context; Population size, Growth and Structure; Fertility and Family Planning; Health Systems and Service Delivery for Sexual and Reproductive Health; Maternal and Child Mortality; HIV & Sexually Transmitted Infections; Changes in Age Structure; The Youth - Status and Prospects; Marriage and Family; Settlement Patterns and Population Mobility.

The PSA report has identified the need to strengthen data systems and improve availability and quality of data. The report also recommends how policy makers and programmers can address the challenges as well as utilize the available opportunities to mainstream population dynamics, reproductive health and gender issues into National Development Strategies, explicitly adopting a human rights, culture and gender perspective.

Furthermore, the PSA was extensively used for the preparation of the United Nations Partnership Framework (UNPF) for Georgia (2016-2020), as well as the UNFPA 2016-2020 Third Country Programme.

We trust the PSA will become a useful tool to enable elaboration of national development strategies in light of the Post 2015 agenda, which relies on increased capacity for data generation, the consolidation of available evidence and the promotion of the use of data and its analysis. We also feel confident that given the transition that the country is going through and the anticipated data from the 2014 census, this study will remain a living document that will be regularly updated.

I sincerely thank the authors and other who have contributed to make this research analysis possible.

Dr. Zahidul A. Huque
UNFPA Representative for Turkey
Country Director for Armenia,
Azerbaijan and Georgia

Contents

ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
BSS	Behavioral Surveillance Survey
CB	Caucasus Barometer
CIS	Commonwealth of Independent States
CPR	Contraceptive Prevalence Rate
CRRC	Caucasus Research Resource Centre
EECA	Eastern Europe and Central Asia
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEL	Georgian Lari
GERHS	Georgian Reproductive Health Survey
GGI	Gender Gap Index (World Economic Forum)
GGS	Generations and Gender Survey (UNECE)
GHPP	Georgian HIV Prevention Project (USAID)
GNI	Gross National Income
HIV	Human Immune Deficiency Virus
IDP	Internally Displaced Persons
ISSA	Institute of Social Studies and Analysis
IUD	Intra-Uterine Device
MICS	Multiple Indicator Cluster Survey (UNICEF)
MoLHSA	Ministry of Labor, Health and Social Affairs
MMR	Maternal Mortality Ratio
NCDCPH	National Centre for Disease Control and Public Health
NHA	National Health Accounts
OECD	Organization for Economic Cooperation and Development
PSA	Population Situation Analysis
PSDA	Public Services Development Agency
SIGI	Social Institutions and Gender Index (OECD)
SRB	Sex Ratio at Birth
SRH	Sexual and Reproductive Health
SSA	Social Service Agency
TFR	Total Fertility Rate
TIAR	Total Induced Abortion Rate
TSA	Targeted Social Assistance
UNDP	United Nations Development Programme
UNPD	United Nations Population Division
WDI	World Development Indicators (World Bank)
WEOI	Women's Economic Opportunity Index (Economist Intelligence Unit)
WGI	Worldwide Governance Indicators
WHO	World Health Organization
WMS	Welfare Monitoring Survey (UNICEF)
WVS	World Values Survey

Some Background on the Georgian PSA

The present Population Situation Analysis (PSA) was carried out by the Country Office of UNFPA in Georgia, at the request of the Government Planning & Innovations Unit of the Administration of the Government of Georgia between late July and early November of 2014. UNFPA based itself on the knowledge of national experts regarding the economic, social, institutional and political situation in the country, through the International School of Economics at Tbilisi State University (ISET), which made three of its collaborators available for the current task: Mr. Lasha Labadze, Ms. Maka Chitanava and Ms. Nino Doghonadze. For the sections on the reproductive health situation in the country, the study benefitted from the expertise of Ms. Natalia Avaliani. In addition, Mr. Eduard Jongstra, of the Regional Office of UNFPA in Istanbul, and Ms. Gulnara Kadyrkulova, of the Sub-Regional Office in Almaty, participated in the writing of the present document, which was coordinated by an international consultant with ample experience in the conduct of PSAs, Mr. Ralph Hakkert. The international participants visited Tbilisi in the two weeks from 21 July until 1 August, during which interviews were carried out with different government Ministries and agencies, international organizations, academic institutions, and NGOs, and relevant data and research documents were collected for analysis. A first draft of the document was prepared in early August, which was subsequently refined with the assistance of the consultants, the UNFPA Country Office and Administration of the Government of Georgia.

It is important to emphasize that the present document is based on the methodology for the conduct of PSAs developed by the Population and Development Branch of the Technical Division of UNFPA and contains some of the main elements of the PSA format. It is, however, not a complete PSA as some of the elements of the full methodology are missing. In particular, the present document does not contain chapters on differentials between various social groups and the rights perspective, or about relationships and impacts. Differentials between social groups have been incorporated only in part, in those cases where the relevant information (e.g. differentials between urban and rural areas) was easily available, but no systematic analysis along these lines was performed. The chapter on relationships and impacts (which would normally be Chapter V) was omitted. The reason for these cuts in the contents of the document is that the limited time available for the conclusion of this

study did not allow the application of the full PSA methodology. In addition, relatively little secondary analysis of data was carried out. One of the few exceptions is the alternative population projection/estimation presented in Section III.1. It is important to emphasize, that this "PSA Light", as it has been called, contains some of the analyses that one would typically find in a PSA, but that it should not be taken as representative of the full range of issues that a PSA is expected to address.

With respect to the geographical scope of the study, it should be pointed out that the present PSA is, for the most part, limited to the de facto geography of the Georgian nation, which excludes Abkhazia and South Ossetia (Tskhinvali).[1] Only in a limited number of cases have data on Abkhazia and South Ossetia been included. This is primarily the case with respect to international data bases of organizations that, by mandate, are bound to the de jure definition of the national territory, such as the United Nations Population Division, which must prepare population projections for the entire national territory, as recognized by the United Nations.

1 Data on Abkhazia and South Ossetia have been omitted from most national data on Georgia since 1993. Following armed conflict in 2008, the two regions declared independence from Georgia and were recognized by the Russian Federation. Georgia's Parliament considers the two territories occupied. The United Nations and most member states do not recognize their independence, with only a few exceptions (e.g. Nicaragua and Venezuela). Peace keeping missions have been established on the ground. UNOMIG came to an end in June 2009, as Security Council could not agree about an extension of its mandate, with the Russian Federation playing a critical role.

Country Context

1. The Economic Context

When analyzing the economic situation in Georgia, usually the analysis is limited to economic developments after the Rose Revolution (November 2003). However, in the context of the Population Situation Analysis (PSA), it is important to track the developments before 2003, back to the declaration of Georgian independence in 1991. The National Statistics Office of Georgia (GeoStat) does not publish pre-2003 economic data for several reasons. The two most important and interrelated reasons are reliability and comparability. In the USSR even the Gross Domestic Product (GDP) was not calculated as such. Instead, a different measure of economic activity was used, namely the Net Material Product (NMP). Its conversion into the GDP is complicated. Therefore, the comparability issue between the Soviet and more recent statistics arises. As for post-independence statistics, it took several years to reach the current reliability level of the data. Reasons for that have been that Georgia has one of the highest shares of shadow economy (Schneider et. al, 2010) and a very high level of corruption. As a result, one has to be careful in interpreting the historical economic data.

For the analysis, the real GDP per capita, measured in 2005 USD from the World Bank World Development Indicators (WDI) database was chosen.[2] Understandably, estimations of the Soviet GDP and those by the World Bank team may not be exactly comparable.

Georgia is a lower middle-income country, with intermediate human development and ranked 79th in 2013, as measured by the Human Development index. The country underwent turbulent times during the political transition from the Soviet Union to independent statehood and the economic transition from a centrally planned economy to a market economy. Real GDP per capita declined by 79% from 1988 to 1994 (WDI). The decline lasted for 5 years, the shortest observed among post-Soviet countries, but it had the largest cumulative decline of all (Liberal Academy Tbilisi, 2012). In first five years of independence Georgia experienced the acute hyperinflation, which prevented the economic development and contributed to the exacerbation of social problems in the country. After 1995, inflation rate declined and the Georgian economy

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2 For per capita calculations GeoStat mid-year population estimates are used. As will be explained in Section III.1, these estimates may be too high, resulting in a level of GDP per capita that is too low and an increase that is not quite steep enough.
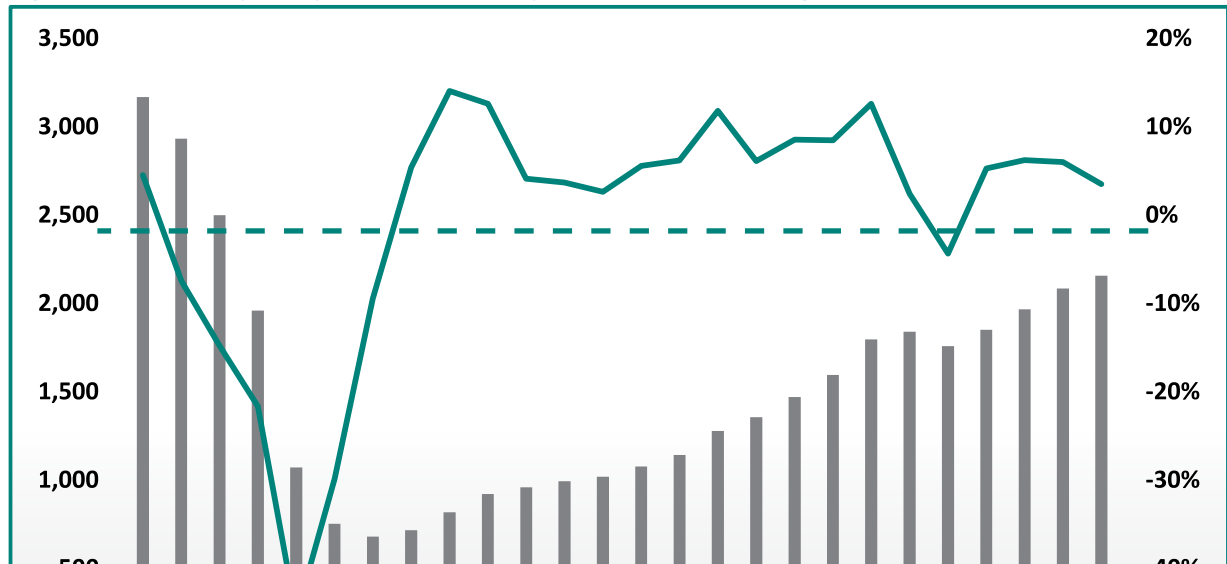
started to grow at an average of 6%.[3]

Reforms, carried out after the Rose Revolution, further accelerated the growth. Georgian government managed to improve the business climate substantially. The country moved up from 112th to 37th place in Ease of Doing Business ranking in a year from 2005 to 2006. In 2014 Georgia ranked 8th.[4] Economic development was interrupted only in 2009, as a result of the 2008 August war with Russia and the world financial crisis. As a consequence, investment climate deteriorated, resulting in reduced foreign direct investments (FDI) and exports. However, sizable international financial assistance together with fiscal stimulation helped the Georgian economy to recover relatively quickly (UNDP, 2013). Despite impressive economic performance over the last years, Georgia has not yet reached the living standards of 1990, as measured by GDP per capita in 2005 USD. In 2013 Georgian GDP per capita reached 3,597 USD (GeoStat). In terms of real GDP per capita Georgia is doing better than only four out of 17 countries of the East Europe and Central Asia (EECA) region, including: Uzbekistan, Moldova, Kyrgyz Republic and Tajikistan.[5] If instead of GeoStat population figures we use the population estimates to be introduced in section III.1, GDP per capita rises to 3,954 USD and Georgia appears to be doing better than Armenia in the EECA region, too.

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3 Inflation in Georgia in 2009 was at its lowest rate in the past decade at 3.3%, but in 2010 it increased rapidly. Between August 2009 and August 2010 the Consumer Price Index increased by 9.5%. Food prices increased more substantially by 14.9%. Prices of energy and utilities (electricity, water and gas) have been more stable, increasing by a mere 2.3%. Data available beyond August 2010 show that food prices continue to increase. Since December 2009 the food CPI grew by 22.2%, contributing greatly to the overall increase of 10.5% (UNICEF, 2012 a).

4 http://www.doingbusiness.org/data/exploreeconomies/georgia/

5 The fact that Georgia has not yet fully recovered its 1990 living standard is a problem shared by only few other countries in the region, such as Moldova and Tajikistan.

In terms of the production structure, Georgia has transformed from an agriculture-driven economy to a more diversified and services-driven economy. While in 1996 more than a third of the value added (34%) was created in agriculture, in 2013 the contribution of this sector had fallen to 13%, though still retaining its place among the first three highest value adding sectors. The other two are trade (12-15%) and manufacturing (8-14%), with relatively stable shares in the GDP. The transport sector has also traditionally played an important role in the development of the Georgian economy. The fastest growing sector during the last few years is finance, which accounted for only 1% of GDP in 1996 but reached 13% in 2013. Slightly smaller, but still substantial advances occurred in construction (from 3% in 1996 to 8% in 2013), hotels and restaurants (from 2 to 4%) and real estate (from 2 to 4%) (GeoStat data).

An alternative to GDP in measuring the well-being of the society is the Gross National Income (GNI). While GDP measures the standards of living by looking at the production within the territory of the country, GNI measures the production by enterprises owned by the citizens of this country. Looking at GNI together with GDP gives us the possibility to observe whether GDP growth indeed translates into rising living standards for locals. In the Georgian case for last half a decade GDP is higher than GNI, i.e. incomes from some part of local production do not accrue to the citizens of Georgia but to the foreign citizens and companies who operate in the country. According to the National Bank of Georgia (NBG), the current account deficit in Georgia stood at the level of 11.7 % of GDP in 2012, mainly driven by the trade deficit and investment income outflows (NBG, 2013). One

more indication of this difference is a high stock of foreign investments. In 2012 onward FDI stock to GDP ratio stood at 67% and was more than twice as much as the average of the Commonwealth of Independent States (CIS) or transition economies in the UNCTAD database.[6] Therefore, there is no surprise that incomes generated in the country flow outside the country as substantial part of Georgian economic growth is driven by the foreign capital. One has also to note the importance of personal remittances that accounted for 8.5% of GDP in 2012 (GeoStat). Additionally, Country's external debt in 2012 accounted for 30.5% of GDP (NBG, 2013). High current account deficit, dependence on FDI and remittances makes Georgia prone to external shocks to the economy.

As will be discussed in the next chapter, the demographic dependency of the Georgian population declined during the 1990s and the early part of the last decade, probably reaching a minimum of 48.5 in 2008 and is now slowly increasing again as a result of aging. As for economic dependency, the indicator has been quite volatile over the last two decades, but the trend has been declining. While in 1991 there were 133 inactive and unemployed persons per 100 employed (ILO definition), in 2012 this ratio had declined to 121. This happened even though the employment rate declined from 57% to 55%. The explanation here again is the lower proportion of children compared to the 90s. The employment rate has little if any effect on the economic dependency ratio. Nowadays, as the dependency ratio suggests, 5 employed persons have to take care of 6 unemployed. In this respect Georgia is 4th among 16 EECA countries, with only Kazakhstan, Azerbaijan and Ukraine having lower economic dependency. With respect to these countries independent Georgia has usually been in the top third, sometimes even leading (in the period 1997-2001) the list with lowest economic dependency (world Bank database).

Despite moderate economic dependency, unemployment is the number one problem in the country. According to the Caucasus Research Resource Centres (CRRC) Caucasus Barometer (CB), 54% of the Georgian population considered unemployment as the most important issue that Georgia was facing in 2013. Indeed, Georgia with a labor force participation rate of 45%, close to world average, has a high and persistent unemployment rate and since 2005 it is among the top 25 countries in the world with the highest unemployment rates (World Bank database). Unemployment has

been persistently high for independent Georgia, fluctuating between 11% and 17%, reaching its peak in 2009 due to the 2008 August war and the world financial crisis. After that the unemployment rate started to decline, reaching 14.6% in 2013, still higher than pre-crisis levels. Of those in employment, 61% were reported as self-employed in 2012. Among the hired employees more than 40% are employed in public sector, indicating a limited scope of economic activities in the country.[7] Analysts suggest that the actual unemployment rate may be as high as 30%, with much of the unemployment and under-employment being hidden under the self-employment category (Gutbrod, 2013).

The characteristics of unemployment and employment in Georgia are discussed in greater details in the recent World Bank report (Rutkowski, 2013). According to the study unemployment rates are high in urban settlements, for young age groups and educated people. Among the 15-19 year-olds it is 36.9% and 32.2% for the age group 20–24 years (GeoStat, 2012). Additionally, most of the unemployment is long-term, thereby, increasing the chances of poverty (Rutkowski, 2013). However, one should also bear in mind the fact that people might be underreporting their informal employment or even getting discouraged to work, for the fear of losing their Targeted Social Assistance (TSA). Additionally, even though urban employment is higher, in rural areas even subsistence farmers are considered to be self-employed. And in this respect being self-employed in the agricultural sector does not necessarily imply that rural population is better off when it comes to having sufficient means to finance their needs. This helps to explain the regional differences of unemployment in 2012, e.g. the fact that the unemployment rate varied between 6.5% in the least urbanized region of Kakheti to 29.1% in Tbilisi. The capital city attracts job seekers from elsewhere and therefore, its unemployment rate has always been higher than average, followed by the autonomous republic of Adjara (16.4% in 2012).

The unemployment rate also differs by sex, being consistently higher for men during the last decade. In 2012, the average unemployment rate for men was 16.1% and that for women 13.8%. The observation is true across all age groups, though the extent and reasons might be different. More men than women after retirement are seeking paid jobs and they seem to have somewhat better chances

of being hired for employment; women usually remain self-employed or withdraw from labor force.

The World Bank study raises the issue of low-productive employment as a reason for most of the poverty incidence as opposed to unemployment (Rutkowski, 2013). According to the study, 40% of the Georgian wage earners are low-paid, i.e. earn 2/3 of the median wage. This, in turn, is associated with employment in low-productive sectors, such as agriculture and trade. In addition to unemployment per se, Georgia therefore also has a problem of structural under-employment. The study also

than economic policies, more targeted at supporting the rural population rather than increasing the productivity. While increased productivity would help the sector develop and make vulnerable rural population, in particular subsistence farmers better off, the potential of agriculture to provide decent life for as high share of population as Georgia has now, is still limited. Therefore, it is important to create other opportunities for the rural population in more productive sectors, such as manufacturing. For example, investment in food processing would create demand for agricultural products,

Figure 2: Annual labor productivity (GEL in 2005 prices) and real wages (GEL in 2005 prices)
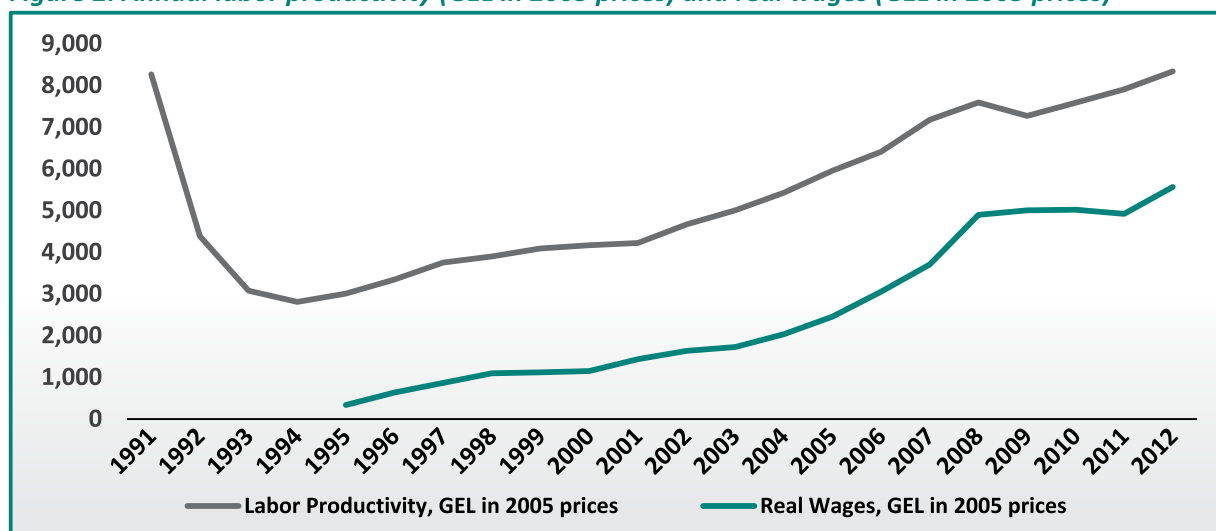
Source: World Bank, GeoStat, NBG, authors' calculations

points out the problem of the education system to provide its graduates with the skills that are demanded on the market. The proposed solution is the creation of high-productivity jobs in order to move labor force from low-productivity agriculture (46% of employment) to more productive and better-paid jobs (Rutkowski, 2013).

In its Strategy 2020 the Georgian government announced the main policy directions in which it plans to help the labor market. Most part of the directions are dedicated to dealing with the labor market mismatch through labor market infrastructure development, raising awareness and consulting the job seekers, as well as development of the education system. Some other policy directions include developing the migration policy and promoting entrepreneurship.

The new government seems more concerned with agriculture than previous ones. However, it is not the new government that started prioritizing the sector. Already in 2012, the planned spending from the central budget on the sector had multiplied almost ten times compared to the previous year. This kind of policies act more like social rather

benefiting the farmers, as well as creating alternative employment opportunities. The government has started to act in this direction, too. For example, the government is ready to co-finance the establishment of processing plants in economically less developed regions.[8]

From the perspective of economic dependency it is not only important to look at the number of employed with respect to not employed, but also to look at how much employed are receiving, i.e. the wage rates. If the wages are not high enough, employed people will not be able to support a lot of dependents. There is no legally defined minimum wage in Georgia, but there is a subsistence minimum of 150 GEL guaranteed by the TSA. Wages do show a positive trend. While the dependency ratio has been declining, real wages have been increasing, so that in 2012 wages in real terms were about 9 times higher than in 1996. Despite such a huge increase in real wages, one has to remember that these wages are for hired employment only, while most part of the society is self-employed.

Additionally, wages to start with have been as low as 53 GEL in 2005 prices. Moreover, as mentioned in the International Labor Organization Report 2012/2013 this has been a general trend in the EECA region. The region is characterized with very high growth in real wages as a result of recovery from transition to market economies in these countries (ILO, 2013). Therefore, this development failed to reduce poverty in the country the reason of which is usually either unemployment or unproductive employment, mostly self-employment. According to the World Bank, increasing poverty despite high wage growth was a result of increased inequality, worsened rural poverty and growth concentrated in limited sets of economic activities, without effective mechanisms to redistribute the benefits (World, Bank, 2005).

Men account for 53% of the Georgian labor force with their economic activity rate reaching 78.2%. In 2012 nominal monthly wage amounted to 712.5 GEL (GeoStat). Labor productivity has been increasing and has consistently been higher than labor income; the difference between the two in absolute terms has not changed much. According to UNICEF (2012 a), average monthly household income in 2011 was 374 GEL.[9] Adjusted for the household size and ages, income per equivalent adult (PAE) increased to 161 GEL, from 140 GEL in 2009. However, when adjusted for inflation, the average monthly household income PAE actually fell slightly. Urban monthly mean incomes (209 GEL PAE) remain significantly higher than rural incomes (111 GEL PAE) on average. Low incomes are more evenly distributed across rural parts of the country, while the urban area incomes are more unequally distributed. The Gini coefficient for household incomes per adult equivalent in 2011 was 0.48. In urban areas it was 0.46 compared to 0.44 in rural parts of the country. Due to household production, the Gini coefficients for household consumption per adult equivalent were lower: 0.39 in urban areas, 0.36 in rural areas and 0.38 overall (UNICEF, 2012 a). In terms of household incomes, Tbilisi and Kakheti were the most prosperous regions, although in terms of consumption Imereti-Racha was slightly better off. The poorest regions were Guria, Mtskheta-Mtianeti, Samegrelo, and Shida-Kartli.

As yet there are no indications that demographic trends in Georgia are contributing to the creation of a labor force deficit. The size of elderly population has been increasing, but the size of the working age population and labor force have also been increasing in the last decade. The declines observed during the 1990s were mostly attributable to emigration rather than to aging of the population.

Despite satisfactory economic performance over the last decade, the growth of the Georgian economy failed to be inclusive. Poverty rates, both as measured with respect to absolute monetary threshold (1.25 USD or 2 USD) and relative consumption (40% or 60% of median consumption), have stayed almost stationary over the last ten years. One thing to note is that there has been general worsening of the situation since 1996 in the proportion of the population living under 2 USD and 1.25 USD a day. In 1996 only 5% of population had incomes below 1.25 USD a day, while in 2010 the corresponding figure stood at 18%, leading the countries reporting in the EECA region (World Bank databank). Almost unchanged shares of the poor population, from the vulnerable part of society, find it increasingly difficult to support their dependents. Concern about being unable to satisfy minimum household needs for the next year increased in the poorest 60% of all households. In the richest 40% of households numbers with this concern have fallen. In the poorest quintile the number of households who see themselves as vulnerable increased significantly from 62% in 2009 to 72% in 2011 (UNICEF, 2012 a). That is why the government needs to implement income transfers from the rich to the poor in order to provide decent life for all.

There is regional variation in poverty. Mtskheta-Mtianeti, with the worst poverty status in 2009, has experienced declining headcount rates at all thresholds. The highest headcount poverty rates for every threshold in 2011 are found in Samegrelo (where poverty has increased sharply since 2009). Extreme poverty in Ajara has increased significantly while the lowest rates for 2011 are in Guria. Azeri households are more than twice as likely as others to be in extreme poverty and their poverty gap is significantly higher than for other households at every threshold (UNICEF, 2012 a).

This old age pension plays a major role in reducing the incidence of poverty with simulations indicating that the poverty headcount in 2009 would have been 38.1% instead of 25.7% without these benefits (World Bank, 2012 b: xvii). According to the World Bank, TSA contributed to reducing poverty headcount in 2009 by 2 percentage points (World Bank, 2009). Despite some problems in allocation mechanism, as UNICEF estimated without

9 *The income figures in the UNICEF survey are not comparable to those published by GeoStat (average household income of 706 GEL in 2011) as the methodologies used for the measurement of income were different.*
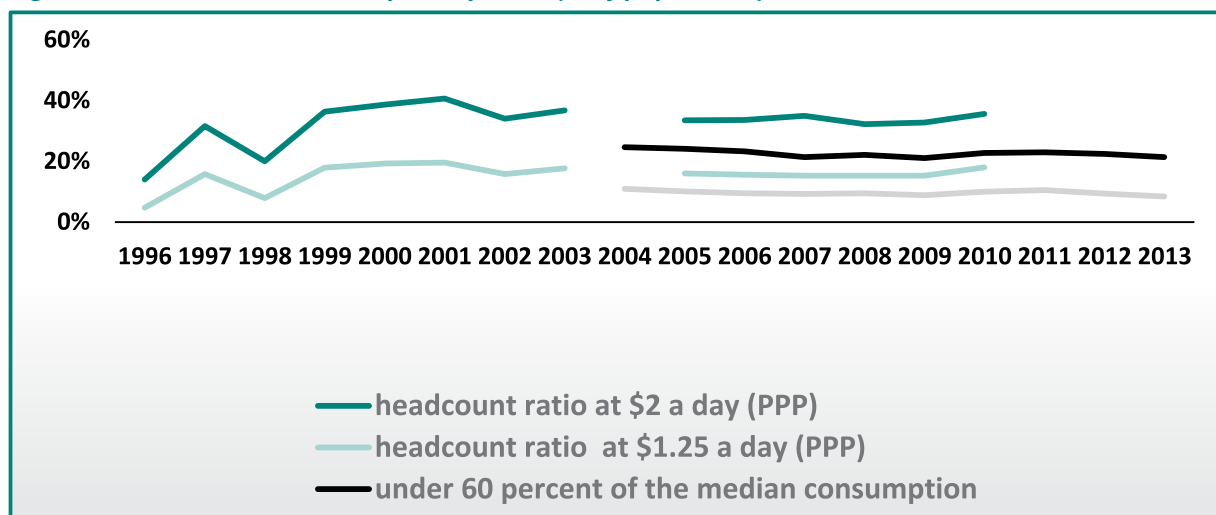
Figure 3: Absolute and relative poverty rates (% of population)

Sources: WDI and GeoStat

TSA benefits another 4% of the Georgian families would fall into extreme poverty, i.e. would have monthly income of less than 71.1 GEL per adult equivalent in 2011 (UNICEF, 2012 a). In 2013, the TSA benefits have doubled. It is yet to be seen how this change will affect poverty. While TSA might make the vulnerable better off, it also reduces the efficient functioning of the economy by discouraging people, registered in the database to work or to work formally. In order to address this issue the Social Service Agency (SSA) of the Ministry of Labor, Health and Social Affairs (MoLHSA) is now offering jobs to the 180,000 able-bodied recipients of the targeted assistance programme, with the understanding that three consecutive and unjustified refusals to accept such employment will lead to the loss of benefits.

As for the population assisted by TSA, 10% of women and 9% of men received these benefits in July, 2014. As many as 61% of the families receiving assistance had three or less family members. TSA also covered 43% of the people with disabilities. Shares of benefit recipients are highest shares in the regions with lowest urbanization rates and the ones affected with the 2008 August War.[10] Interestingly, regions with ethnic minorities have lowest shares of population receiving assistance (SSA database). In 2011, the population eligible for TSA included 129,599 persons with disabilities (UNDP, 2013).

Social transfers represent a considerable effort on the part of the Georgian state. Together, old age pensions and TSAs account for 5% of the GDP, a portion of the 2014 budget that is about 50% higher than health care and education taken together. This old age pension plays a major role in reducing the incidence of poverty with simulations indicating that the poverty headcount in 2009 would have been 38.1% instead of 25.7% without these benefits (World Bank 2012 b: xvii).[11]

On average Georgia invests 34% of its annual GDP productively, in physical or human capital. Out of this, 23% is invested in physical capital, as measured by gross fixed capital formation; the rest in human capital, including health (8% of GDP) and education (3% of GDP). The trend has been volatile but positively sloped, with a major interruption in 2009 after the crisis. Fixed capital formation saw the largest improvement since 1995, multiplying more than 6 times as a share of total value added. With respect to other reporting countries of EECA, Georgia has moved from the very bottom to above the median on this indicator. While the share of education has worsened somewhat, compared to the countries of the EECA region the deterioration is more pronounced. While in 1994 Georgia has been spending the second highest share of GDP on education, in 2012 its share was the lowest. The opposite has happened with respect to health expenditures, which have almost doubled. With respect to the 16 reporting EECA countries, Georgia moved from 11th place in 1995 to the 4th in 2012. Overall, Georgia has moved from the country with

10 UNICEF (2012 a) estimates that the regions with the largest percentages of households receiving TSA are Shida Kartli (29.8%), Mtskheta-Mtianeti (29.1%) and Imereti-Racha (24.2%), whereas Kvemo Kartli (6.2%), Tbilisi (8.2%) and Samtskhe-Javakheti (8.2%) have the lowest percentages. According to the official figures (reproduced by UNDP, 2013), these figures were highest in Racha-Lechkhumi Kvemo Svaneti (41.9%), Shida Kartli (25.2%) and Mtskheta-Mtianeti (18.5%). The differences are due to the fact that UNICEF uses a different methodology for income measurement and that its data refer to families receiving TSA at least once during 2010, whereas UNDP's data refer to registered beneficiaries during 2011.

11 Similarly, UNICEF (2012 a) found, in a logistic regression of potential poverty determinants that living in a household consisting only of pensioners was one of the strongest predictors of not being poor, with an odds ratio of 0.2 in urban areas and 0.4 in rural areas. Over half (55.2%) of all households in Georgia include at least one person of pension age (at least one man aged 65 or more or at least one woman aged 60 or more).

Figure 4: Investment in productive capital (% of GDP)

Gross capital formation ■ Health expenditure ■ Education expenditure
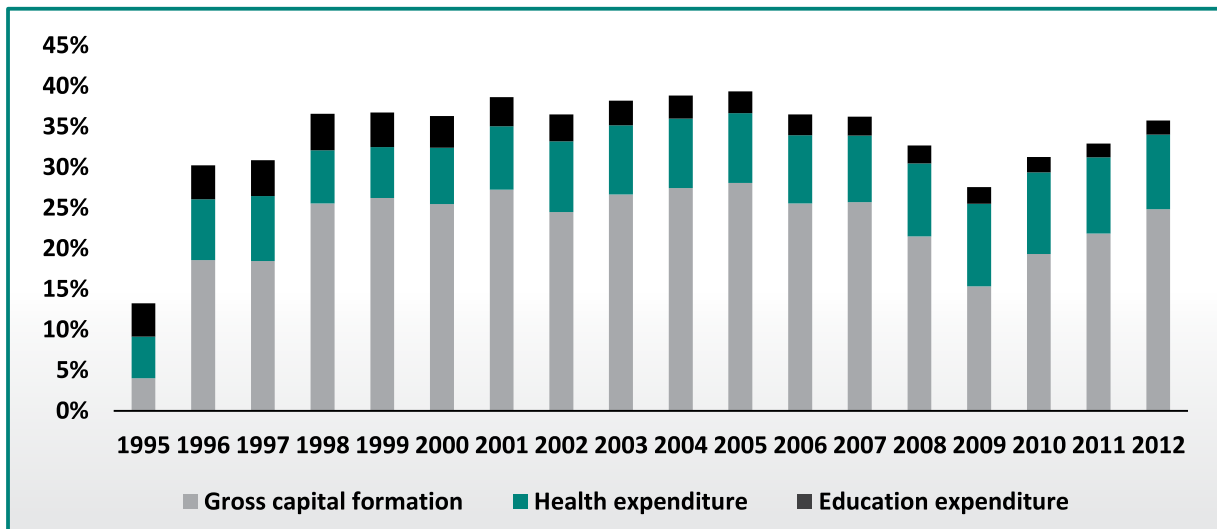
Source: WDI

the least investment in productive capital in 1995 to the median in EECA region. Increasing investment in productive capital is good news as this is a prerequisite for future economic growth and rising standards of living in the country. However, it is important that these investments are backed with local savings that are currently very low, compared to the countries with similar aged dependency.

Despite growing investment in productive capital, as the latest growth accounting exercise suggests, the growth of the Georgian economy cannot be attributed to the accumulation of physical capital. Rather Georgia's economic performance was largely the result of the improvement of the total factor productivity, in other words, technological progress (Babych and Fuenfzig, 2012). However, this technological progress was not necessarily driven by local innovations. The number of patent applications is around two thirds of what they were in 1992 (World Bank database). Additionally, these applications are increasingly by nonresidents. So, it is clear that recent developments have little to do with original local ideas, but rather with the adoption of the technologies practiced in the rest of the world. The indication of this is the volatile but increasing share of capital goods in the Georgian imports.

As was mentioned earlier, this happened hand in hand with the transformation of Georgia from the economy that had relatively larger agricultural sector to the shrinking share of agriculture in value added and expanding share of manufacturing and services. The general transition from low-productive agriculture to high-productive manufacturing is a positive development. While in 2013 agriculture created only 13% of gross value added with

44% of the employed of the country, manufacturing reached the similar value added (14%) using only 11% of the employed of the country (Geo-Stat). The real problem is that a lot of people are still "self-employed" in unproductive subsistence agriculture.

With the development of the manufacturing sector, the number of commercial products exported almost doubled. However, there has been little improvement in the diversification index. Nowadays Georgia is a part of free trade agreements with CIS countries (excluding Russia) and Turkey. It has recently signed the Deep and Comprehensive Free Trade Agreement with the European Union. Country also benefits from Generalized System of Preferences with a number of developed countries, including the USA, Switzerland, Canada, Norway and Japan. Additionally, Georgia, as a member of World Trade Organization, benefits from the Most Favored Nations principle with the member states.

According to the Georgian Competitiveness Report 2013, Georgia's further growth prospects will crucially depend on the government's ability to coordinate the private agents and supply the public infrastructure. Agriculture, tourism, hydroelectric energy, transport and trade logistics have been identified as export-oriented industries where government intervention can bring desired results (ISET Policy Institute, 2013).

Following the change of the government in October 2012 Georgian GDP growth slowed down. In 2013 annual growth rate reached only 3.2% (GeoStat). The new government started to prioritize social spending over infrastructural projects. For example, it was new government who implemented Universal Health Programme, free of charge

Figure 5: Technological progress
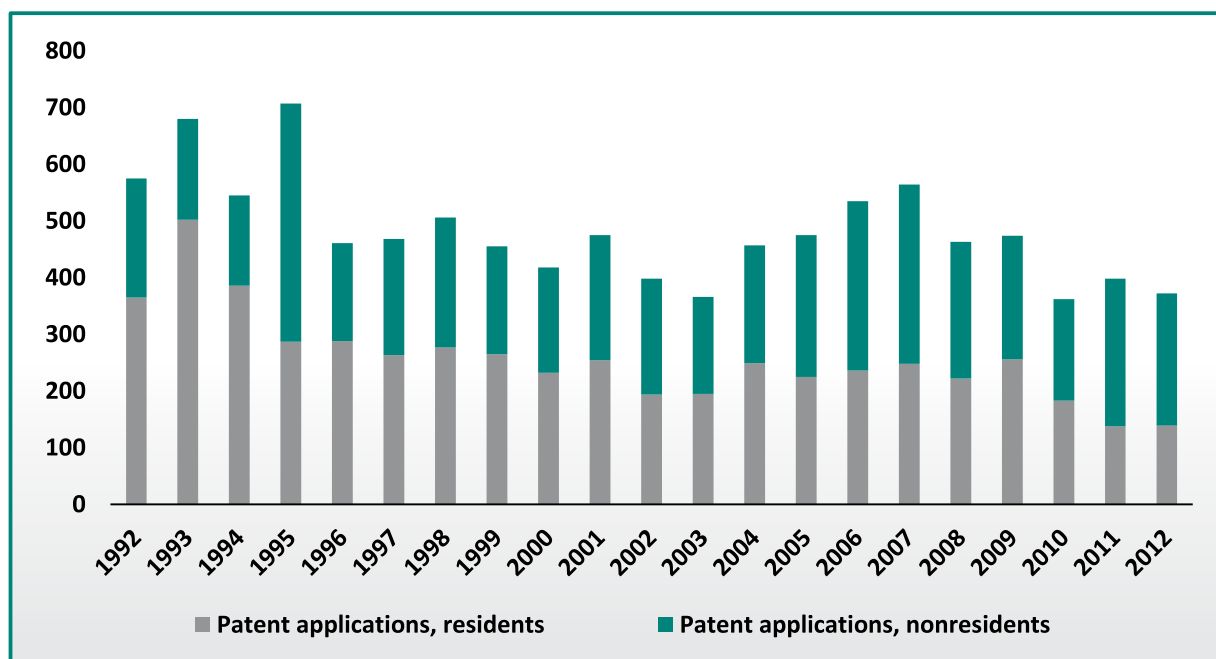
Source: World Bank

kindergartens, doubled TSA, increased pensions, etc. IMF attributed slower economic growth to lower private investment and budget underspending. For the next couple of years IMF is projecting 5% growth.[12]

2. The Socio-Cultural Context

The socio-cultural peculiarities of Georgia provide the context for the demographic developments in the country. In this chapter it is important to grasp some of the most important characteristics of the country in this respect.

54% of the Georgian population lived in urban areas in the beginning of the year 2014. Georgians are the majority of the population. In 2002 (that is when the last census was conducted) ethnic Georgians accounted for 84% of the country's population. The main minorities include Azerbaijanis (7%) and Armenians (6%). In 2002, all but Russian and Ukrainian minorities had higher live births per 1000 of women than Georgians (GeoStat, 2003).

The official language in Georgia is Georgian. In 2002, 85% of the population has been the native speaker. However, there has been the problem of the fluent knowledge of the official language in main ethnic minorities. In particular, only 15% of ethnic Azerbaijanis spoke Georgian fluently and the same figure for ethnic Armenians stood at 35% (GeoStat, 2003). Logically, without proper com-

mand of Georgian, ethnic minorities have little if any chances to get higher education in Georgia. Indeed, while 39% of the ethnic Georgian reported higher than secondary education in 2013, the corresponding indicator for Armenians and Azerbaijanis stood at 25% and 9%, respectively (CB, 2013).

The overwhelming majority (84%) of the population are orthodox Christians. The main religious minorities include Muslims (10%), Armenian Gregorian (4%) and Catholics (1%). Religious institutions are the most trusted in the Georgian society.

According to a study on civil integration of ethnic minorities (BTKK – Policy Research Group, 2008), despite more involvement of government in this direction, some of the major challenges still remain, including the problem of command of state language that leads to information isolation and consequently results in exclusion of ethnic minorities from political, economic and cultural life of the country. Probably as a result of the problems of integration, overall life satisfaction in ethnic minorities is lower compared to ethnic Georgians (35% as opposed to 30% and 22% in Armenians and Azerbaijanis, respectively) (CB, 2013).

Figure 6 reflects the trust of the Georgian society towards various institutions. Religious institutions, army, police, educational and healthcare systems have relatively higher levels of reported trust compared to other institutions. General time trend in this respect is the decline in the trust of almost all institutions between 2008 and 2013. The only two institutions, for which the level of trust increased,

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12 http://www.imf.org/external/np/sec/pr/2014/pr14377.htm

18

Figure 6: Trust towards various institutions in Georgia, 2008 and 2013
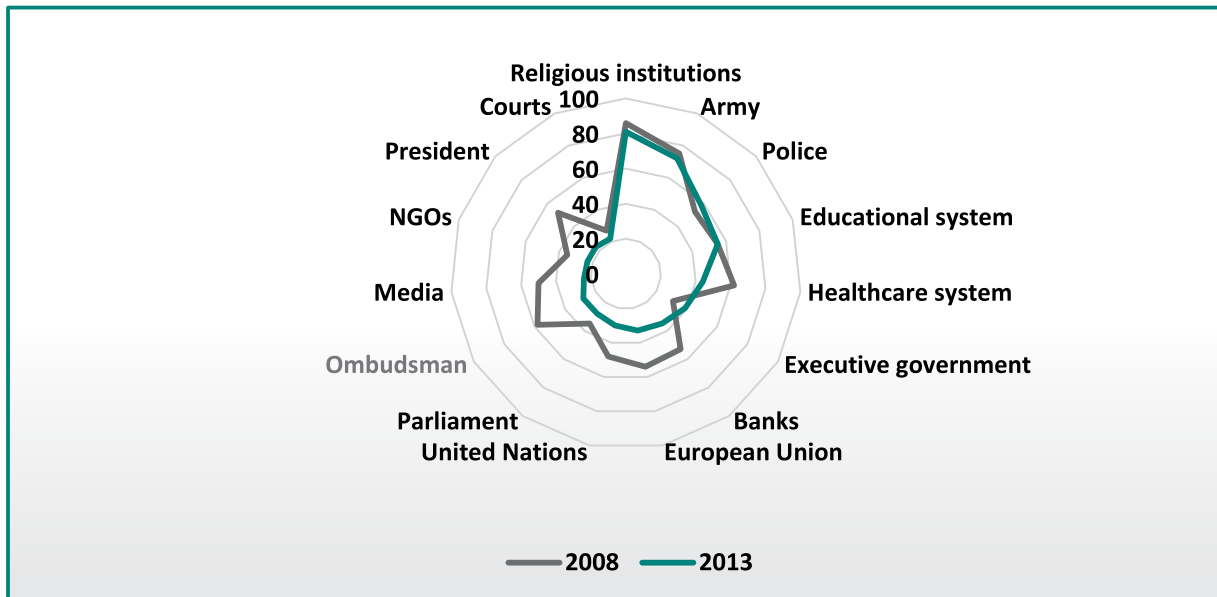
Source: Caucasus Barometer

are police and executive government. However, these seemingly positive developments are not sizable and within the time interval both institutions had higher trust than they had in 2013. The largest loss of trust was experienced towards the ombudsman and the president. While trust towards the ombudsman declined gradually, the president lost trust rapidly. In 2012 only 27% of people trusted the president fully, compared to 58% in 2011 (CB). General decline in trust towards institutions is not necessarily bad news. This implies that people are less prone to the influence from the authorities and more likely to think, decide and act independently.

It is also interesting to look at trust towards various institutions from ethnic minorities' point of view. Armenians trust religious institutions, education system (they seem to use it more intensively than Azerbaijanis), Georgian Orthodox Church and army most. Azerbaijanis report to trust police, president, religious institutions and army. Not surprisingly, minorities, with different religion have less trust towards the Georgian Orthodox Church compared to Georgians. High levels of trust in the army could be related to the fact that all three ethnic groups conceive Russia as a hostile to Georgia and see the army as a defender from this hostile power. Even though the trust towards the army is quite high in ethnic minorities (49% and 63% for Armenians and Azerbaijanis, respectively), these trust levels still lag behind the level observed in ethnic Georgians. Ombudsman, potentially responsible for minority rights, does not seem to be trusted much neither by ethnic Georgians (31%), nor (and even to far lesser extent) by ethnic mi-

norities. In general, while Azerbaijanis show higher levels of trust towards all branches of government, police and healthcare system, as well as international organizations, Armenians tend to show trust levels comparable to ethnic Georgians (CB, 2013).

It is difficult to discuss the potential effects of trust towards institutions on the demography of Georgia, but one can definitely speak about the role of the Georgian Orthodox Church. More than 90% of the Georgian population considers religion important in their daily life and between third and half of the population either regularly attends religious services or fasts (CB, 2008-2013). The role of the Orthodox Church is important in child births also. Since 2008, the Georgian patriarch baptizes the third and next children of religiously married families (see Section 6 of the next chapter).

According to the World Values Survey (WVS), Georgia is a rather conservative country. It was part of the survey during the wave of 2005-2009. Therefore, the information presented below comes from the year 2008. Taking into consideration the fact that about 90% of the citizens of Georgia consider respecting and following the traditions as a responsibility for a good citizen (CB, 2011-2013) and that socio-cultural factors are relatively stable over time, one can with caution expand the logic of 2008 to the Georgia of today as well.

Family is a very important and trusted "institution" in Georgia (WVS, 2008). Society does not approve of the dissolution of the family unit, as it considers important that a child is raised in a family where both mother and father live and therefore, obviously does not approve of single mothers. How-

ever, people gradually start to tolerate divorce, together with the increased prevalence of it in the society. In 2013 there has been a decline of 6 percentage points in the number of people strongly against divorce compared to 2011 (CB, 2011, 2013). While 39% of Georgians disapprove divorce, Armenians' and Azerbaijanis' disapproval rates stand at 51% and 61%, respectively (CB, 2013). At the same time, the number divorced people per 1000 of population have increased from 0.5 to 1.8 from 2001 to 2013 (GeoStat data). Marriage is not considered as an outdated tradition. Rather it is seen as a prerequisite for a family and children, despite the fact that the actual percentage of children born outside of formal civil marriages in Georgia is higher than in Germany, Canada or Australia.[13] 80% of the population does not approve of sex before marriage for a woman of any age. Armenians tend to be less conservative, with a disapproval rate of 60%, while Azerbaijanis are slightly more conservative than ethnic Georgians, with a disapproval rate of 84% (CB, 2010).

ational, i.e. families with more than two generations in them (Bierman and Pkhakadze, 2014). Living in one family usually means that the decisions of the young couples, including reproductive decisions are at least to some extent influenced by the opinions and experiences of the older generations who usually consider more kids to be better. Young couples' decisions to plan, i.e. delay the timing of the first child are not usually welcomed by older members of the households and the society in general. At the same time, multigenerational families offer the opportunity for working mothers to avoid expensive childcare and rely on grandparents' support.

Despite high trust in family, Georgians do not seem extraordinarily concerned with making parents proud, compared to other studied countries (see Figure 7). However, they try to live up to their friends' expectations more than in 93% of the studied countries. Even though most of the people report being independent rather than conformist, still a lot more than 80% of the studied countries have lower approval for conformism (WVS, 2008).

Figure 7: Selected socio-cultural indicators for Georgia, 2008
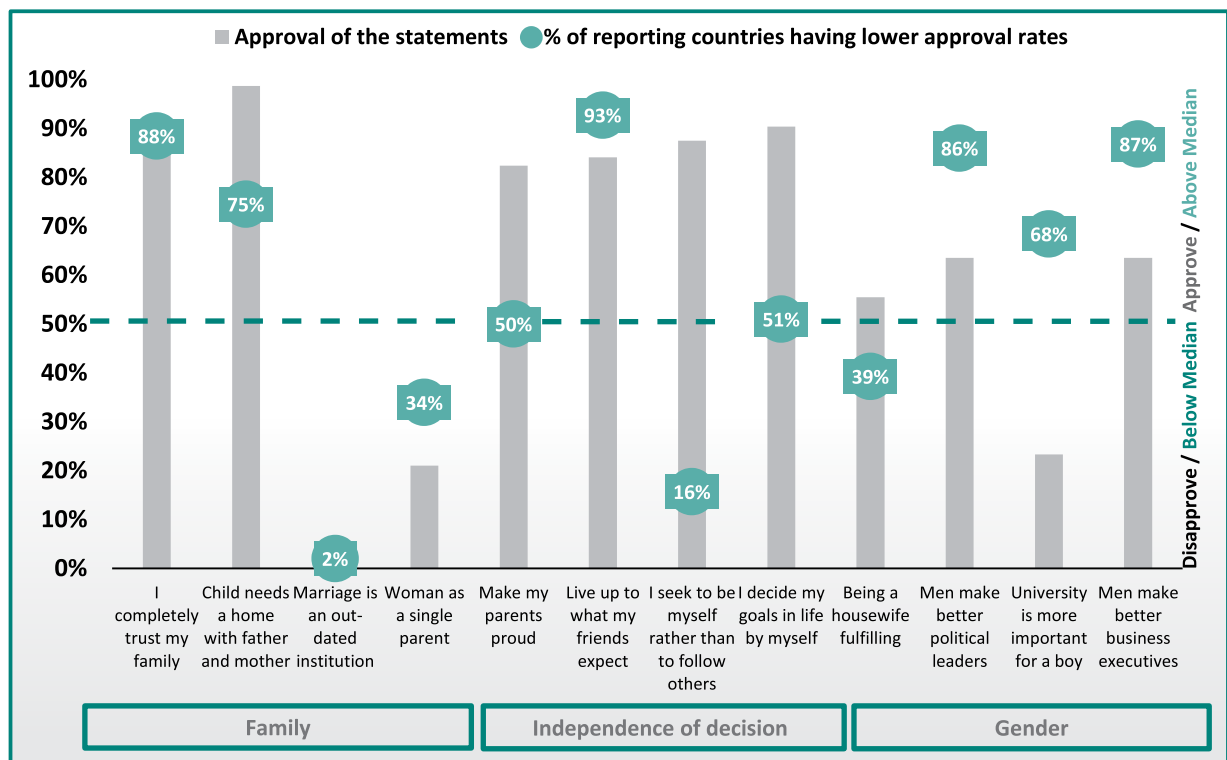
Source: World Values Survey

It is important to note that the term "family" to most Georgians does not mean a nuclear family. In 2013, 32% of the households were multigener-

In the end, it is obvious that traditional people of Georgia would not approve traditions if not conforming to the established social norms at least to some extent.

Georgia is a patriarchal society. For example, a bit more than half of the population considers being

13 Some of these births may occur in unions sanctioned by the Church but not formalized by the civil registry. However, consistent information on the extent to which this is the case is hard to come by. See Chapter II.2 for more details on this issue.

20

a housewife fulfilling. The attitude is similar to the attitudes of Russians and Ukrainians, not very different from the median reporting country in the survey (WVS, 2008). At the same time, 63% of the population assigns the functions of the main decision-maker and 83% — of the breadwinner to the males of the family. Ethnic minorities show more patriarchal attitudes in this respect (CB, 2010). The patriarchal attitudes have deep roots in the Georgian mentality. More than half of women consider obeying the husband even in cases of disagreement as a responsibility of a good wife (Japaridze, 2012). In a recent survey among young people (UNICEF, 2014), 81.8% agreed and 57.9% agreed strongly with the idea that main duty of a man is to provide financial support for the family; 63% agreed with the statement that granting the rights to girls means that men lose their rights; and 56.1% agreed with the notion that it is acceptable for a boy to have sex before marriage, but only 5.6% agreed that it is acceptable for girls to do so.

3. The Political and Institutional Context

Georgia has passed through important and at the same time very dramatic political and institutional transformations after the break-up of the Soviet Union. The country has moved from highly centralized, single party governance to democracy, but the transition was not soft. The country suffered from civil war in the regions of South Ossetia (1988–1992) and Abkhazia (1992–1993), as well as the violent military coup d'état of December 22, 1991 - December 31, 1993. As a result of the conflict 20,000-30,000 ethnic Georgians were killed, more than 250,000 people became internally displaced, and the country lost official control over about 18% of its territory. Abkhazia and South Ossetia became so called "frozen conflict" zones.

Severe civil war and economic collapse fostered migration from the country. Based on data from the last two censuses held in Georgia, between 1989 and 2002, about 1 million emigrants permanently left Georgia (roughly 20–25% of the total population). There were three waves of migration (Labadze and Tukhashvili, 2013). The first wave (1990-1994) consisted of a very large number of non-Georgian ethnic minorities, including Jews, Russians, Armenians and Greeks. The second wave, between 1995 and 2003, was mainly motivated by the search for better economic opportu-

nities abroad and consisted mainly of Georgians. According to Mansoor and Quillin (2007: 33) Georgia holds the third place (after Albania and Kazakhstan) among the 25 East European and Former Soviet Union nations in the share of population lost to emigration. The third wave of migration started after the Rose Revolution (end of 2003) and was characterized by the circular nature. On the one hand, improved economic conditions led many migrants to return home and slowed the outflow of labor migrants. At the same time young Georgians started to go abroad to get a better education and return back to take up leading positions in government, the private sector, international organizations and NGOs.

The situation started to stabilize in the middle of the 90s and a slow process of political stabilization, as well as institution formation, has started. The most comprehensive measure of quality of governance is given by the World Bank in the Worldwide Governance Indicators (WGI), which cover over 200 countries of the world. They allow to measure six dimensions of the governance starting from the year 1996: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption (see table below for the short description of each indicator). The aggregate indicators are based on several hundred individual underlying variables, taken from a wide variety of existing data sources. The data reflect the views on governance of survey respondents and public, private, and NGO sector experts worldwide.

WGIs are usually presented in percentiles. Percentile ranks indicate the percentage of countries worldwide that rank lower than the indicated country, so that higher values indicate better governance scores.

Governance successes, reversals, and failures can be easily tracked looking at WGI which are available for 1996-2012. Quality of governance needs several years to change, thus indicators are changing only slightly from year to year. Taking into consideration the confidence intervals of the indicators, only small changes are observed, which fall within the confidence intervals does not show real change. This is the reason the data are presented for wider time periods and dividing it into two parts: 1996-2003 and 2003-2012 (period after the Rose Revolution). Figure 8 presents the country's percentile rank on each of the six governance indicators.

Table 1: WGIs and the concepts they measure

WGI	Concept Measured
Voice and Accountability	Captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
Political Stability and Absence of Violence/Terrorism	Measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.
Government Effectiveness	Captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
Regulatory Quality	Captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
Rule of Law	Captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
Control of Corruption	Measures extent to which corruption is controlled.

Source: World Bank, Worldwide Governance Indicators.
http://info.worldbank.org/governance/wgi/index.aspx#doc

1996-2003: Georgia started with extremely low levels of political stability, control of corruption and rule of low in 1996. Georgia was in the last 10% of the countries covered by the aggregate indicator. Country was doing relatively better in voice and accountably, which mainly measures freedom of population. As for the government effectiveness and regulatory quality country ranked in the last 25-28%.

During 1996-2003 some improvements were made with regard to corruption and rule of law. In the late 90s corruption was the most visible problem in the Georgian society. It was spread at every level: bribes were needed to get passport, to enter university, get a driver's license, to start a business and so on. Probably the most visible and overt form of corruption was traffic police, which people encountered in their everyday lives. In 2000, government started an anticorruption campaign. Seven experts were assigned by President Shevardnadze to develop an anticorruption programme and guidelines. In 2001 anticorruption bureau and 12-member coordinating council were created, which were quite active till 2003. During this period several government officials were accused and prosecuted. Despite the demonstrated political will corruption remained one of the obstacles for the development when President Saakashvili came to power. The corruption index has improved from -1.39 (1996) to -0.65 (2003) (index is ranging from approximately -2.5 to 2.5, where higher numbers indicate higher control of corruption).

The rule of law indicator improved from -1.45 in 1996 to -1 in 2003. This happened due to the reform of the judiciary in 1999 which aimed to enforce court judgments, training of staff, sharing other countries' experiences, increasing awareness among public, harmonization of legislation, renovation of infrastructure. Using a newly established exam, Georgia replaced 184 judges with a new group that was universally thought to be more able and better qualified. But by 2001, political will for reform started fading away, as tensed political environment did not allow sharp changes. Therefore the improvement in this respect was not sizable.

During 1995-2003 Georgia made very small improvement in government effectiveness and regulatory quality ranks. Country moved from 28 to 35 in government effectiveness and from 18-25 in and regulatory quality ranking. Overall these period was characterized with high levels of bureaucracy: receiving a document from any level of public agency required several trips to that (and also to the related) agencies; all records were paper-based; responses often took up to two months; several hours were spent in queues unless one bribed some official just to do his or her

Figure 8: Georgia's change in the WGIs 1996-2012 relative to other countries
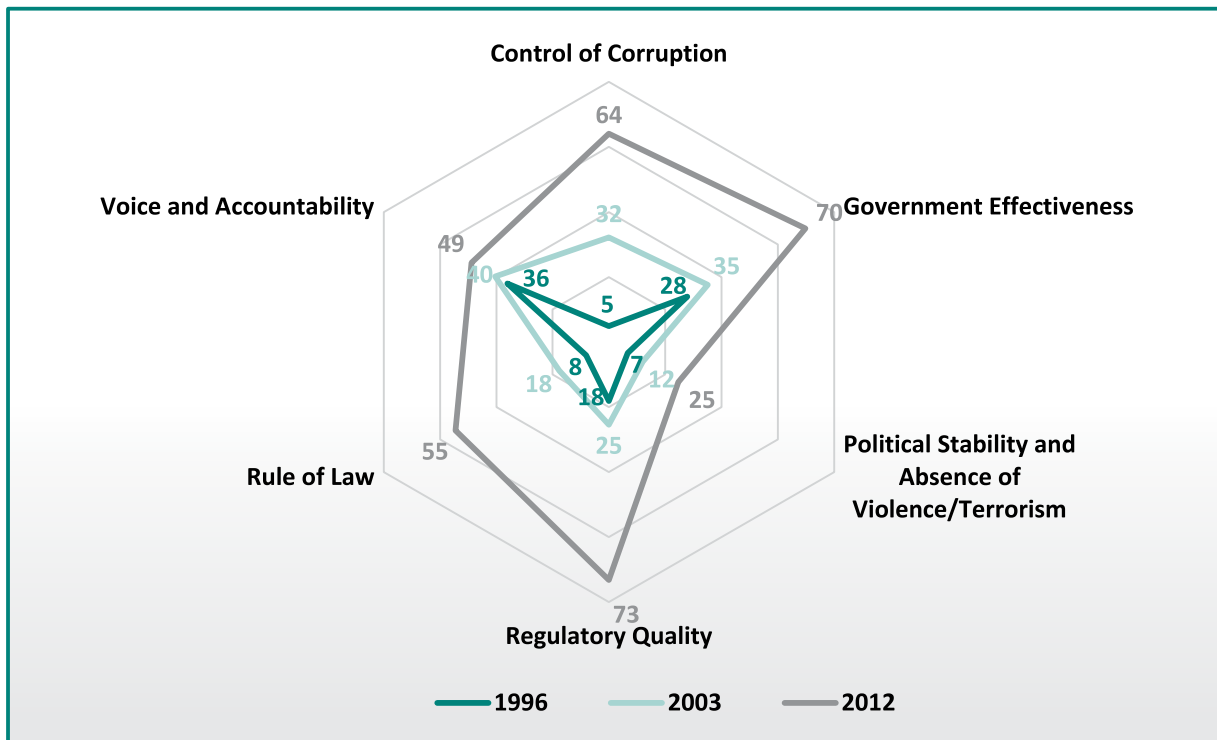
Source: The World Bank, Worldwide Governance Indicators. 2013

job. In addition to this, there was lack of communication between public agencies and there was no clear set of rules established.

Regardless the slow progress in governance of Georgia, the country gradually managed to become a member of the international community. Georgia has joined United Nations in 1991. In 1994 Georgia joined the NATO-run Partnership for Peace and became Special Guest of the Council of Europe. During 1996-1999, in its capacity of the Special Guest, Georgia participated in the Council of Europe intergovernmental co-operation and assistance programmes in the fields of law, crime problems, human rights and media. In 1999, after signing the European Convention on Human Rights, Georgia became a full-fledged member of the Council of Europe.

During the period country has signed several international conventions and committed to fulfill appropriate responsibilities. List of international conventions in fundamental rights and their ratification dates are presented below.

It has to be noted that the country has not still signed the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.

2003-2012: These were very important years for the country from the viewpoint of its institutional and political setup, as is easy to observe from Figure 8 above. The country made significant progress

in some areas of the governance, particularly in combating corruption, government effectiveness, increased regulatory quality and enforcement of the rule of law. Only slight improvements — in voice and accountability and political stability.

The most significant improvement during 2003-2012 was made in ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. The regulatory quality index has improved from -0.66 in 2003 to 0.68 in 2012. After the Rose Revolution new government started liberalization reforms: tax laws have been simplified (2005 tax code radically changed the structure and approach of taxation, number of taxes were reduced from 22 to 7 (and then to 6 after 2008)), the number of licenses and permits has been significantly reduced (from 909 to 137), and procedures to start a business have been simplified. Decreased tax rates, fewer taxes and introduction of electronic tax filing made life easier for businesses in the country. Results of the reform can be evaluated by country's performance in the World Bank doing business rank (see table 3 below). In 2006 country ranked number 98 in ease of doing business. During one year it went to #38 and was recognized as world's top reformer country. Success was achieved by combination of the following factors: 1. Reduction the minimum capital required to start a new business from 2,000 GEL to 200 (USD 85), which was followed by 55% increased busi-

Table 2: International Conventions ratified by Georgia and ratification dates

International Covenant on Civil and Political Rights	August, 1994
Optional Protocol of International Covenant on Civil and Political Rights	August, 1994
Universal Declaration of Human Rights	September, 1991
European Convention for the Protection of Human Rights and Fundamental Freedoms	April, 1999
International Covenant on Economic, Social and Cultural Rights	August, 1994
International Convention on the Elimination of All Forms of Racial Discrimination 1969	July, 1999
Convention on the Elimination of All Forms of Discrimination against Women	November, 1994
Protocol Relating to the Status of Refugees	August, 1999
Convention relating to the Status of Refugees	November, 1999
United Nations Convention on the Rights of People with Disabilities	March, 2014

ness registrations during the year; 2. Reforms in customs and the border police simplified border procedures. The 54 days required to meet all the administrative requirements to export in 2004 were reduced to 13; 3. The time to resolve simple commercial disputes fell from 375 days to 285; 4. Decreased tax rates and improved collection. The social security contributions paid by businesses decreased from 31% of wages to 20%, making it easier for employers to hire new workers. Better collection of corporate taxes, which shot up by 300%, more than made up for the loss in revenues (Doing Business 2007, page1).

One of the main achievements in the years from 2003-2012 was combating widely spread corruption in the country. Transparency International's Global Corruption Barometer ranked Georgia first in the world in 2010 in terms of the relative reduction in the level of corruption and second in the world in terms of the public perception of the government effectiveness in fighting corruption. In 2010, only 2% of Georgia's population reported paying a bribe over the previous 12 months. This was mainly achieved through police, tax collection and education reforms. The overall rank of Georgia on the transparency index in 2013 was 55th, out of 175 countries.

Additionally, public service provision was improved by introducing the one window principle in public and civil registries. This increased efficiency of the system. In 2004, the Civil Registry Agency, a self-funded public entity under the Ministry of Justice was created. The new agency became responsible for passports; identification cards; birth, death, and marriage certificates; citizenship and migration issues; and the legalization of foreign documents—a workload previously handled by 78 local offices. Progress was also made with online services and the public registry system. Citizens of the country became able to obtain their passports overseas without visiting a consulate.

In terms of political stability, the country has greatly not improved so far. In 2012 it was in the quartile of countries with least political stability. This is not surprising if one takes into consideration that during the 20 years of independence until 2012, the country experienced three regime changes. The first was the struggle for independence, led by Zviad Gamsakhurdia who in turn became the first president. The second was the ousting of Gamsakhurdia and the ensuing civil war, eventually bringing Eduard Shevardnadze to power. The third was the ''Rose Revolution'', resulting in Shevardnazde's forced resignation and Mikhail Saakashvili

Table 3: Ease of Doing Business Ranking for Georgia 2006-2014

2006	2007	2008	2009	2010	2011	2012	2013	2014
98	38	20	16	13	12	9	9	8

Source: World Bank. Doing Business Reports
Note: Rankings are given at time of annual report publication and subject to revision.

becoming president. None of these were the result of both a peaceful and constitutional transfer of power.

The country experienced a painful series of anti-government protests in 2007. Demonstrations occurred both in September and November 2007 and were initially largely peaceful. On the 7th of November the police violently dispersed demonstrators using heavy-handed tactics, including tear gas and water cannon. This fact was considered as a "crossing a line" by Georgian government with regard to human rights which shacked reputation of the Saakashvili government in the West. A new wave of protests emerged on May 2011 demanding Georgian President Mikhail Saakashvili's resignation. The 2011 demonstrations were organized by former speaker of the parliament Nino Burjanadze. They ended in a clash with the police, in which four people died. The 2012 election cycle was a very important test for Georgia in terms of stability which the county passed quite well.

The 2012 parliamentary elections were a rare example of a democratic post-Soviet power transfer. They were admitted to be the "first in the South Caucasus resulting in a competitive and peaceful transfer of power"[14] but were followed by the disruptive year-long "cohabitation" between the Parliament and the President, until the 2013 presidential elections. In October 2013, the new President was elected, who came from the same coalition as the parliament majority but with reduced power. The 2010 amendments to the Constitution (which went into effect in 2013) transferred the main power from the President to the Prime Minister, and the latter became the chief executive authority over the both domestic and foreign policy. Unfortunately WGI are available only for 2012 and do not allow tracking how all of the aforementioned changes influenced the political stability indicator. Based on peaceful transition of power, the political stability level is expected to go up for 2013-2014, but it is not clear by how much. Political stability is one of the crucial elements for the country's growth. Recent research has showed that political instability adversely affects growth by lowering the rates of productivity growth and, to a smaller degree, physical and human capital accumulation (Aisen and Veiga, 2011).

Recently published Rule of Law Index 2014 report ranked Georgia the first and the strongest performer within the Eastern Europe and Central Asia

region and 31st of 99 surveyed countries[15]. This index is constructed in scope of the World Justice Project (WJP). The Rule of Law Index is quantitative measurement tool that offers a comprehensive picture of the rule of law in practice. The Index presents a portrait of the rule of law in each country through a set of 47 indicators organized around nine themes: constraints on government powers; absence of corruption; open government; fundamental rights; order and security; regulatory enforcement; civil justice; criminal justice; and informal justice. The Rule of Law Index 2014 for Georgia has used 2012 data for the country, so this index can serve as an alternative approach to evaluate county's political and institutional setup in this particular year. Based on the report, Georgia leads the region in two dimensions – absence of corruption and regulatory enforcement and is the second in the region in five other dimensions. The country's best performance is in the area of security, where it places 17th overall. In contrast to these positive elements, the country ranks 55th in providing effective checks on the government's power, mainly due to political interference within the legislature and the judiciary, and 51st in protecting fundamental rights, mainly because of perceived violations of the right to privacy.

During 2003-2012 the country had little improvement in voice and accountability indicator, which measures citizens' opportunities to participate in selection of their government, as well as freedom of expression, freedom of association, and a free media. In 1996, Georgia's percentile rank in the indicator was 36, meaning that country was doing better than last 36% of countries. During 1996-2003 years, this score improved only by 4 percentage points, and following 9 years by 9%. The country's voice and accountability indicator rank in 2012 was the second from the bottom after the political stability.

The constitution of Georgia provides guarantees for press freedom, and the print media offer a range of political views. The state television and radio outlets were converted into public-service broadcasters in 2005, but critics go regarding their biased and polarized behavior. After the 2012 elections ownership changes reduced the dominance of pro-United National Movement stations, but the media remained polarized between the two main political camps. Legal amendments that banned offshore ownership of broadcasters and required stations to reveal their ownership structures came into effect in 2012. However, some outlets' owner-

14 Nicol J. "Georgia's October 2012 Legislative Election: Outcome and Implications" 2012.

15 The World Justice Project. The WJP Rule of Law Index 2014 report.

ship are still remaining unclear, with listed owners allegedly serving as stand-ins for others.

Apart from the media freedom, the voice and accountability also includes measures of strength of civil society. Regardless the fact that civil society's history goes to the roots of the independence of the country, still its impact on policy formulation and implementation remains weak. Starting from 2010 Georgia's score in Civil Liberties in the Freedom in the World survey done by Freedom House has improved by 1 point and is 3 (latest ranking is available for 2013). Civil Liberties are measured on a one-to-seven scale, with one representing the

families, people with disabilities and etc.) and degree to which society is willing to invest in future generations.

In order to have longer and comparable social expenditure time series data, the World Bank database is used, which has information about healthcare and education expenditures for different countries. Unfortunately, there are no time series data available for Georgia related to performance of social security system and only 2007 data are available. So, analysis will be done by comparison of different data sources available in the country.

Figure 9: Civil Liberty scores in 2014 Freedom of the World for the Eastern Europe and Central Asian region

Source: The Freedom House. 2014 Freedom in the World. Country ratings and status, FIW 1973-2014
http://www.freedomhouse.org/report-types/freedom-world

highest degree of Freedom and seven the lowest. According to 2013 data in terms of the Civil Liberties only Serbia is ahead of Georgia by 1 point in the Eastern Europe and Central Asian region; 5 countries (Albania, Bosnia-Herzegovina, Macedonia, Moldova, Ukraine) have the same score, and the remaining 11 countries score lower.

4. Social Expenditure, with an Emphasis on Education and Health

Public expenditures in social sector represent what is the government's commitment to guaranteeing the well-being of all generations, society's attitude towards redistributing the wealth towards different vulnerable groups (pensioners, children, poor

a. Health Care

In the first years of independence Georgia inherited the Soviet Semashko healthcare system. This system was characterized by the universal access to healthcare and state was the only provider of these services. The system was tax-based, highly centralized, with planned resources and personnel. The extensive coverage and universal access to free care meant that the Semashko system was equitable, despite some qualitative differences in provision between geographical regions and mainstream and parallel health services. However, it was highly inefficient, non-flexible and resource intensive.

Therefore, soon after the first years of independence the country had to move from the centralized Semashko model to decentralization, due to

the lack of resources to finance such an expensive system. Changes started in 1995. In that year, the Comprehensive Health Reform Package was prepared and launched, a payroll tax was introduced, which deducted 4% (3+1) of the salary for medical service purposes and was aggregated in the State Health Fund. Decentralization and privatization resulted in separation of healthcare planning, purchasing and service provision functions. Health care facilities were financed by output-based payments, which was a predominant form of provider reimbursement through contracting by state or private insurance companies. The State Health Fund was established to fund the social health insurance model. Because of limited financial resources, the state insurance mechanism only covered a very limited group of population initially but increased coverage gradually. As a result in 1998 the state health insurance fund was implementing 9 state programmes, including a safe motherhood programme, cancer treatment programmes, pediatric cardiology programme and several others. However, this insurance package was not promoted properly; most people were unaware of their new rights and thus continued to pay informal fees charged by the medical staff, and finally there were no sufficient resources pooled in the fund to finance all declared programmes, requiring co-financing by patients. In 2003 the social insurance system was changed to tax-based system, although the deficit of public funds in financing of healthcare services continued.

The World Bank Health Nutrition and Population Statistics' database has data about Georgian health care sector statistics starting since 1995, so it is easy to track changes since then. Figure 10 presents dynamics of public healthcare expenditures as a percentage of GDP and as a percentage government expenditures. Public health expenditures given below consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

The earliest data available show that share in public health care expenditures in government expenditures was very low – only 2.5% in 1995. It started to increase with the healthcare reform in place, reaching 6.5% in 1997. 1997-2003 years were characterized by low levels of public health care finances, a decreasing share in government expenditures and low levels in comparison with GDP.

Public health care expenditures started to increase after 2003, red bars in the figure above show that their nominal amounts were increasing till 2012 with slight decrease in 2011. Public health care expenditures as percentage of GDP were quite stable during the period and varied from 1.3% to 2.3%. In 2012, public spending on healthcare represented 1.7% of GDP.

Comparison of Georgian public health expenditures with the Eastern Europe and Central Asia regional average shows that Georgia was devoting lower share of public funds to the sector in both as a share of GDP and general government expenditures. Average public health expenditure as a share of GDP for the Eastern Europe and Central Asia region for 1995-2012 was 7.5%, while the same figure for Georgia is only 1.4%. The same trend is seen in health expenditures as a share of government expenditures. The regional average for the period was 10.2% and only 5.8% for Georgia. The world average at the time was 15% and the average for the OECD countries 17%.[16]

Not surprisingly, since 1995 the health system in Georgia is dominated by direct out-of-pocket payments for health services and pharmaceuticals, with budgetary revenues funding the state health programmes (including the purchase of private health insurance for some groups of people). Despite the increase in public financing, private expenditures continue to be the primary source of health care expenditures, with a slight decrease of their share from 95% in 1995 to 70% in 2013. Private expenditures include direct household (out-of-pocket) spending, private insurance, charitable donations and direct service payments by private corporations. Therefore, private expenditures do not necessarily measure the health care burden on households; for this purpose one has to look at out-of-pocket expenditures which counts any direct outlay by households, including gratuities and in-kind payments to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups.

High shares of out-of-pocket expenditures show the relative lack of prepayment mechanisms, such as tax and health insurance. Until 2000 private expenditures consisted only of household payments, it was still very high in 2012 and represented 86% of private health care expenditures. This means

16 World Bank. Health Nutrition and Population Statistics Database

Figure 10: Public health expenditures as a percentage of GDP and government expenditure
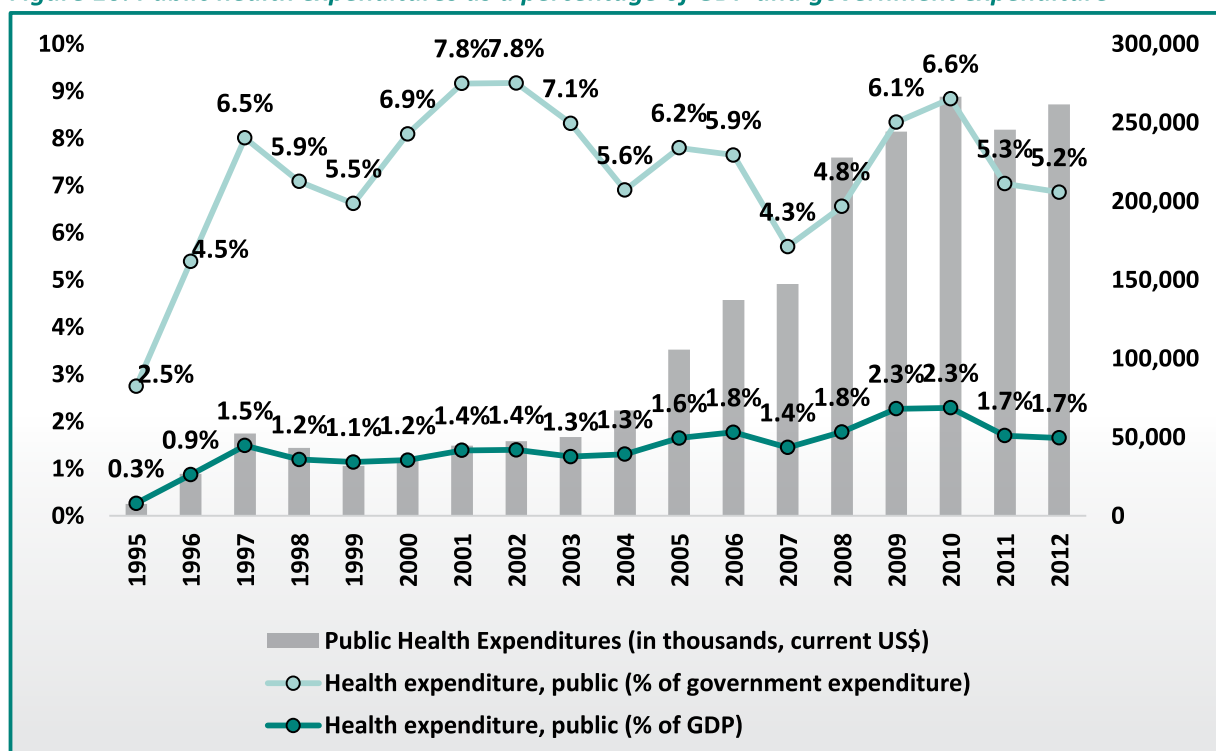
Source: World Bank. Health Nutrition and Population Statistics Database

that if health care costs are high and a member of a household falls ill, this may lead to dramatic effects on the wealth of a family. These are referred in literature as catastrophic payments for health care, because of their risks of dramatically decreasing the welfare of the families. In 2006-2010 the share of households that incurred catastrophic health expenditures increased from 6.1% to 8.5%; 2006-2009 marked the growth of this index, while in 2010 it slightly decreased. According to UNICEF (2012 a), almost half the households in 2011 had at least one person who needed medical services the household could not afford to pay for. In 34% of households, health care spending was over 25% of non-food expenditure, higher than in 31% of households in 2009.

The development of a private insurance market became a policy priority after the Rose Revolution. In 2007 the government made a rather revolutionary decision aimed at the development of a private insurance market, along with improvement of management and administration of existing resources, and ensuring better access to medical care for vulnerable groups of population. Under the new model, state funds were allocated for purchasing health insurance for certain groups of population (population living under the poverty line and other groups) from private insurance companies, which became buyers of medical services for the above mentioned groups of population. Therefore, prior to 2007, the State purchaser managed the pro-

curement of medical services under the state programmes; and after the introduction of reforms in 2007, private insurance companies became involved in the process.

After September 2012, some of the, so called, vertical state programmes have been transformed into the state insurance programmes. The Insurance programmes have been launched for 0-5 year children, citizens of the retirement age, students, disabled children and people with severe disabilities. In addition, the state health insurance provided coverage for selected groups of civil servants (teachers, law enforcement officers and military personnel), As a result, by the end of 2012 the state health insurance has been covering 1.6 million people. The state purchased insurance for these groups from private insurance companies.

Even though the volume of funds mobilized by private insurance companies has been increasing, it still accounts for only a small fraction of private health expenditures. In 2012, only 8% of the population was insured in private insurance, while 36% were covered by state insurance and 56% were uninsured.

After general elections of October 2012, the new administration came with much more social sector oriented policies with the declared goal to improve social and health status of the Georgian population. The new government announced an unprecedented, almost 2-fold expansion of budg-

Figure 11: Distribution of health payments and catastrophic expenditures in Georgia

Percentage of Household's Medical Expenditures as Compared to Household's Financial Solvency

Year	oop = 10-20 of CTP	oop = 20-40 of CTP	oop >= 40% of CTP
2006	10.1	8.6	6.1
2007	11	8.6	6
2008	11.8	10.5	7.2
2009	13.6	11.8	9
2010	14.8	12.8	8.5
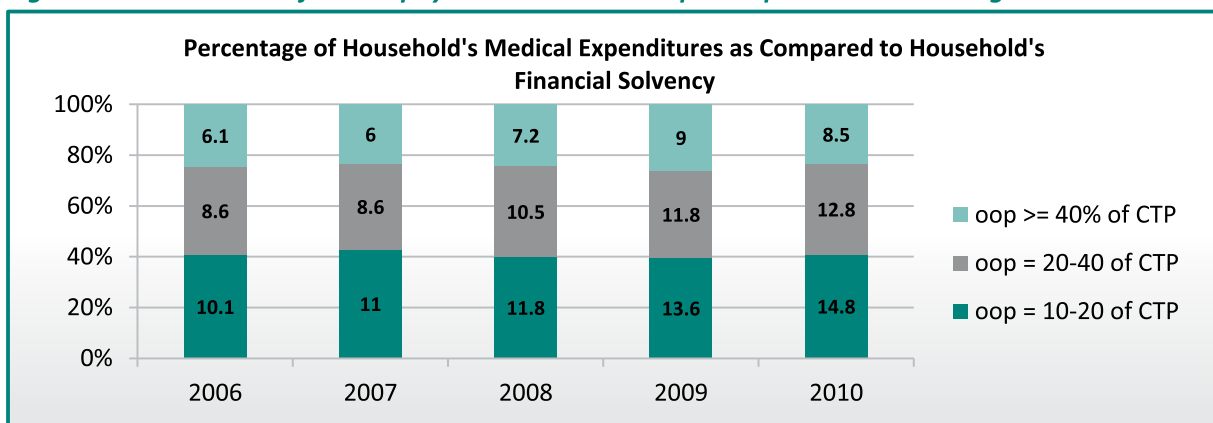
Source: Rukhadze and Goginashvili (s.d.)

Figure 12: Structure of Public health expenditure (%)

Year	Universal Health care	"Vertical" Porgrams
2007	3%	97%
2008	21%	79%
2009	45%	56%
2010	48%	52%
2011	43%	57%
2012	46%	54%
2013	63% / 14%	23%
2014	46% / 33%	21%
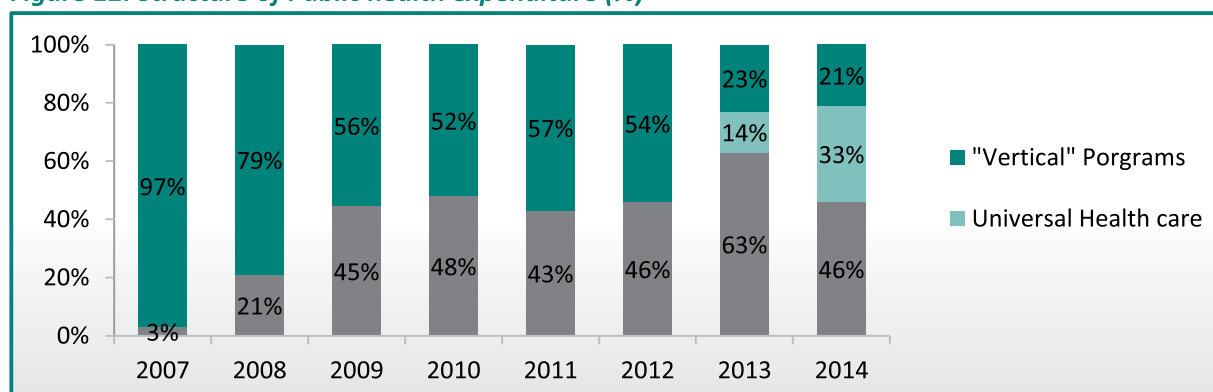
Source: State Budget

etary allocation for health (from 365 million GEL or estimated USD 225 million in 2012 to 635 million GEL or USD 391 million for 2013).

The universal health care programme was launched in February, 2013. The programme covers all people who are uninsured and, in addition to primary care, it includes planned surgical operations; treatment of oncological diseases and deliveries. The budget of the programme is 200 mln GEL, which represents 7.5% of the Ministry of Health and Social Affairs' (MoLHSA) budget.

The universal health care programme is targeted to provide better financial access to health care services for large groups of population and to decline out-of-pocket and private healthcare expenditures. Unfortunately, there are no numbers available to observe the change. While the increase in public financing in health care is a positive development, there may have some drawbacks from the efficiency perspective. Waiting lists and other non-price rationing mechanisms used in the programme may lead to a decrease of quality and efficiency of the healthcare services. Concerns arise also from the financial sustainability standpoint.

In addition Georgia is receiving external resources for health in a form of funds or in-kind services.

The resources come from international organizations, other countries through bilateral arrangements, or foreign non-governmental organizations (NGOs). Main international donors are: The Global Fund, the World Bank, USAID, European Union, etc. Figure 14 presents a share of external resources on health in total healthcare expenditures. As expected they were the highest during 2008, because of the armed conflict with Russia.

Finally the structure of health care expenditure by the types of medical services has changed dramatically in 2007-2012. In recent years, the share of expenditure on in-patient services has gradually decreased, while the share of spending on out-patient services remains almost the same. Maintenance of high costs on in-patient service means that the shifting of the State focus on primary health care had not yet resulted in an expected effect with regards to the distribution of resources. The share of public health expenditure is still low, despite the public health problems in Georgia (high mortality caused by non- communicable diseases, high rates of Tuberculosis, aging of population, etc.). Expenditures on medicines are very high and patients have to pay for medicines out-of-pocket, which represents heavy financial burden on their budget.

Figure 13: Out-of-pocket health expenditures, 1995-2012
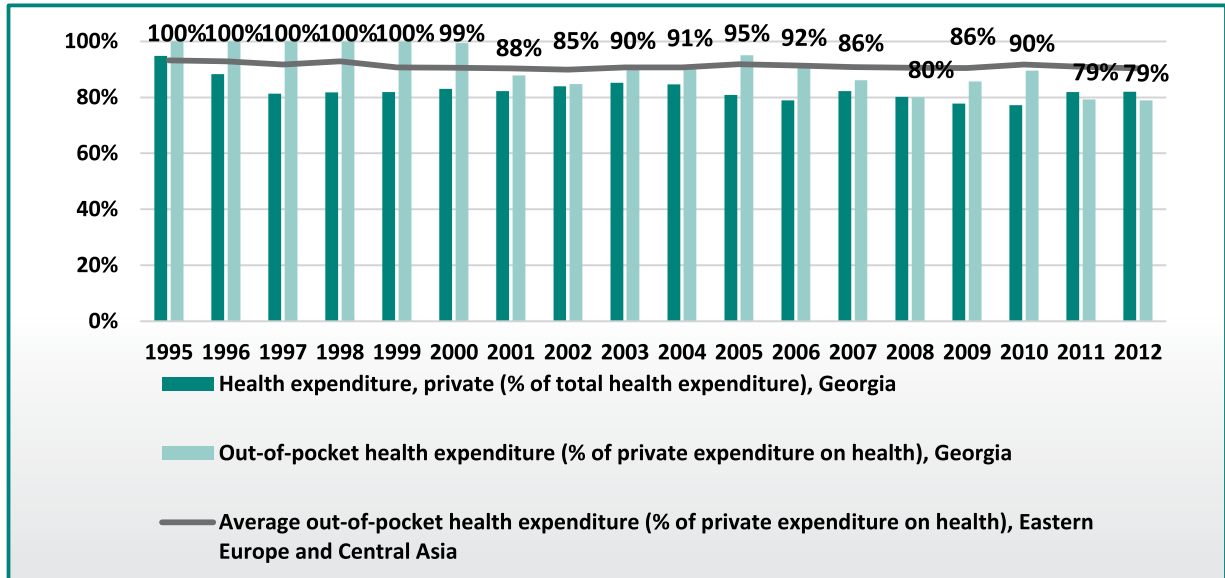
Source: World Bank. Health Nutrition and Population Statistics Database

Figure 14: External resources for health
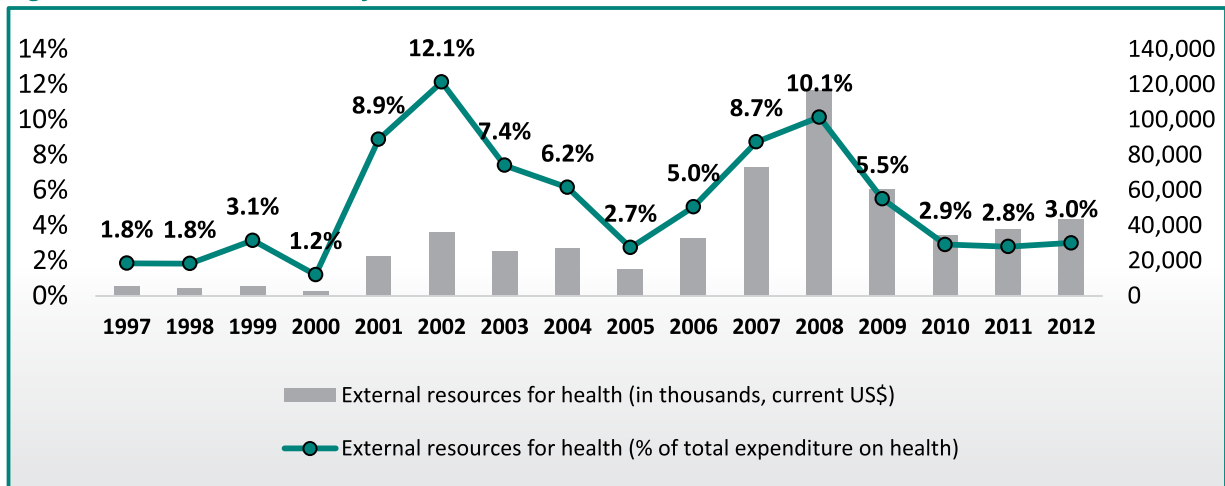
Source: The World Bank. Health Nutrition and Population Statistics Database

b. Social Security

Before 2004, public social security was not able to fulfill its functions and was provided informally through other means like assistance from friends and relatives, international humanitarian aid and charity. For example, in 2002, money transfers received from friends and relatives represented 10% of Georgian household income, almost 3 times more than the sum of state social transfers (pension, stipend, assistance) which only amounted to 3.8% of household income.[17] The main reason for this low percentage was the small tax base (before 2005 social security was mainly financed by payroll tax). On the one hand, low remuneration rates were not enough to ensure sufficient finances and on the other hand, the country had a very low level of formal employment. Limited finances were

forcing government to conduct a passive social security policy – aiming to maintain existing living standards for the poor and unemployed. Problems were pervasive: pensions amounted only 20-30% of subsistence level and their payment was chronically delayed; financial assistance of IDPs was both insufficient and infective; unemployment benefits were almost nonexistent etc. As a result, social security needed to be totally restructured when a new government came to power after the Rose Revolution.

The new government started changes with introduction of the Targeted Social Assistance (TSA), one of the most important components of social expenditures. This programme was launched in 2006. It is administered through a proxy means test that uses a complex formula to measure the welfare of a specific household. If the test score is below a certain threshold (currently 57,000), the

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17 *European Initiative. Liberal Academy Tbilisi. საქართველოს ეკონომიკური ტრანსფორმაცია: დამოუკიდებლობის 20 წელი. 2012. p18*

Figure 15: Structure of total current health expenditure (%) by function

Legend:
- In-patient Care
- Out-Patient Care
- Ancillary services to medical care
- Medical goods dispensed to outpatients
- Prevention and public health services
- Health administration and health insurance
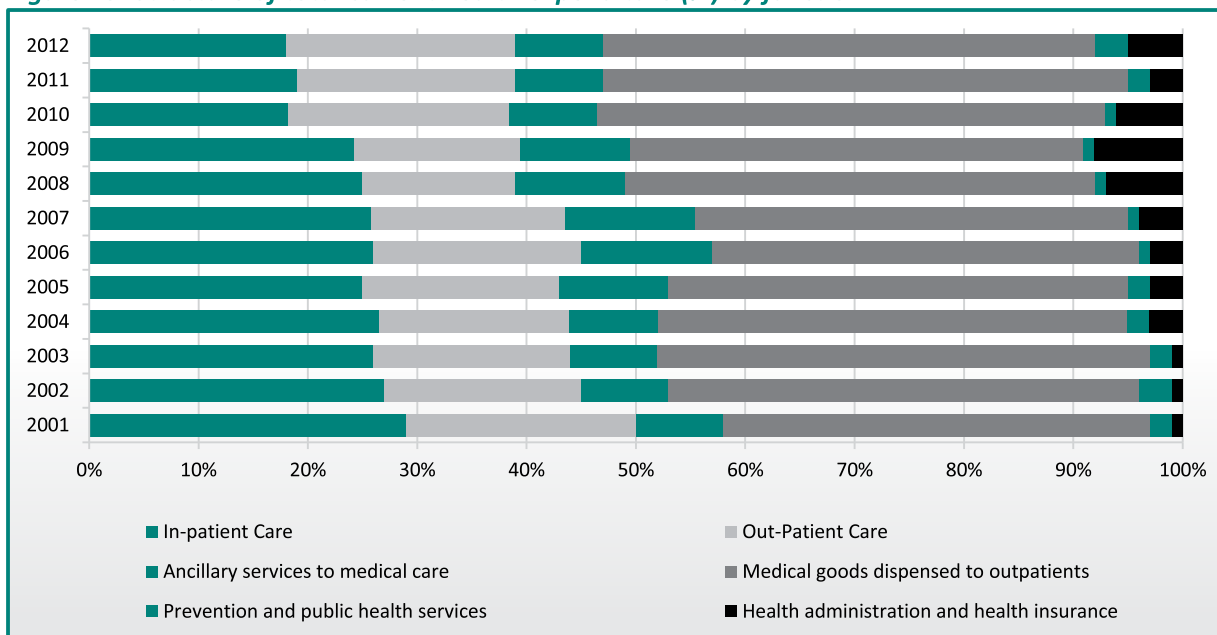
Source: MoLHSA/NHA

household automatically gets access to benefits. The formula which is used for calculations includes over 100 household welfare indicators, encompassing information on household composition, possessions, income, expenditures and geographic characteristics. The overall score also takes into account a subjective assessment of the household's welfare, conducted by a government representative[18]. Before 2013, TSA benefits consisted of a core sum of 30 GEL per month per family, complemented by the benefit of 24 GEL per month per additional family member. Amount of benefits doubled in 2013, changing core amount to 60 GEL and 48 GEL per additional family member.

The level of the extreme poverty is quite high and stable. In 2013 it amounted 9.7%, as for the relative poverty[19], it declined from 23% in 2011 to 21.4% in 2013 (GeoStat). Figure 16 represents relative poverty, subjective poverty and recipients TSA over time. Data show that 10.1% of population was receiving TSA in January, 2014 and this figure varied from 7% to 11.3% during the period. Most interesting is subjective poverty as measured by the share of population who has registered for TSA. Up to 37% of population are considering themselves as poor. This number decreased a little bit after 2010. Comparison of TSA programme coverage and poverty rates as measured by share of population under 40% of the median consumption gives similar figures. The largest divergence between the two was observed in 2008 and in 2013.

TSA programme design needs to be improved, as

it may create incentives for beneficiaries to hide their revenues and lead to informal employment. The problem of hiding revenues revealed on January 2013, when TSA database was linked to the State Revenue database and as a result up to 20,000 families lost their right to assistance. Problems still exist, as informal employment is very prevalent in the country and the programme design is not giving incentives to such people to register their employment. Moreover it may create disincentives for families near the threshold to work. This point is partly included in government 2020 strategy, which states that TSA score evaluation mechanisms will be improved and the administration of the programme will be changed in order to increase its efficiency.

Unemployment benefits were abolished in 2007 and were integrated in TSA. The 2005 tax code abolished payroll tax and finances of social security come directly from the state budget. The same funding mechanism applies to the age pensions. The county's current guiding principle in funding social security is "solidarity across different generations", the sustainability of which is questionable, taking into consideration the aging of the population and the resulting increase of age dependency ratios (see section III.1). The government understands this challenge very well and already has declared the need for pension reform.[20] The aim is to establish a system in which residents of the country will receive a pension based on the funds accumulated by contribution. However the exact type and shape of the system has not been decid-

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18 Currently the Social Service Agency is working on ways to make this assessment less subjective by defining clearer criteria.
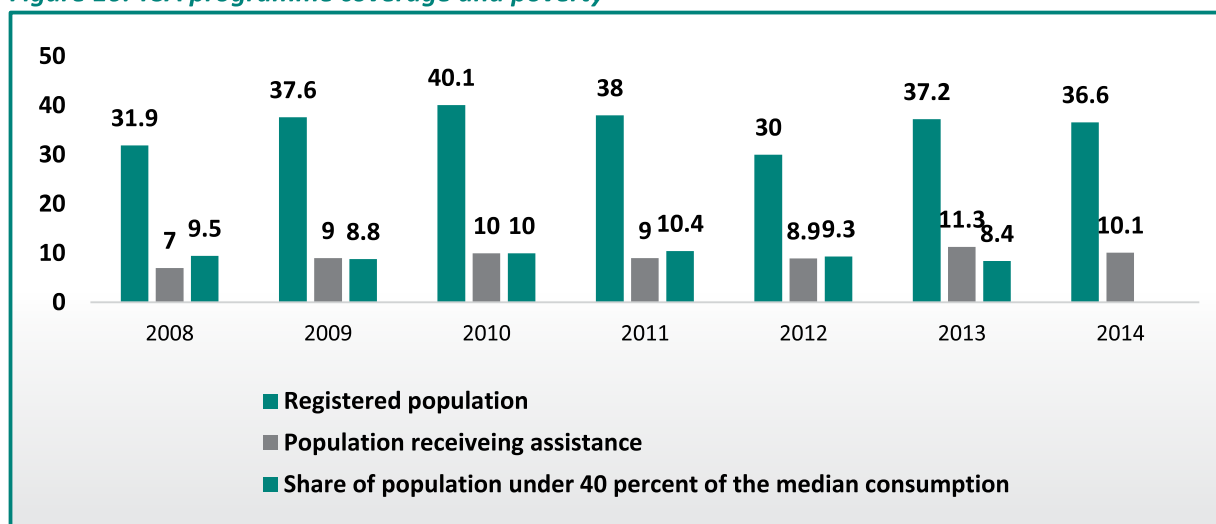19 Share of population under 60% of median consumption.

20 საქართველოს სოციალურ-ეკონომიკური განვითარების სტრატეგია – საქართველოს 2020. November 2013. Page 57

Figure 16: TSA programme coverage and poverty

Source: GeoStat and Social Service Agency data
Note: Numbers are given for January of each year.

ed yet: whether it will be voluntary or compulsury, whether it will be a combination of state and non-state elements or not etc. In addition, during the transition period it is planned to link pensions to inflation rates and in case of their increase, give priority to the most disadvantaged pensioners. Pensions have recently been increased. Particuralry, they have changed from 110 GEL to 125 GEL in April 2013 and to 150 GEL later in September. The same changes were applied to pensions of people with disabilities.

Apart from the state pensions, persons with disabilities are receiving additional assistance from the state in order to integrate them into society and improve their social status. Currently, the Social Service Agency (SSA) implements the programme provision of wheelchairs and prosthetic-orthopedic equipment. In scope of this programme people with disabilities are eligible to receive technical supplies such as wheelchairs, prosthetic-orthopedic equipment and cochlear implants. Financial limits for the technical supplies are varying in the following range: lower extremity prosthetics 370- 2300 GEL; prosthetics of upper extremities 80-3340 GEL; orthotics 41-710 GEL. State is providing hearing devices with the limit to 500 GEL. The cochlear implants are also issued to absolutely deaf and deaf-and-dumb children of 6 years, as well as to the persons above this age, if the operation of cochlear implant is indicated according to the medical report. Amount covered by financing of provision of the citizens with cochlear implants within the frameworks of the state programme should not exceed GEL 28,500.

Social security expenditures, including pensions, targeted social assistance (TSA), assistance to disabled people etc., make up a very significant share of the total state budget and the GDP. Figure 17 shows the dynamics of social security expenditures since 2004. Their share in state budget was very high (up to 22%) with the exception of the 2006-2008 period. When analyzed in terms of households benefited, they are quite pervasive. According to UNICEF (2012 a), 33% of the households in the lowest consumption decile and 16% of the households in the second lowest consumption decile received TSA in 2011.[21] But 4% of the households with incomes above the median also received TSA.

c. Education

Georgia has a strong literacy tradition: literacy rates among adults (ages 15 and older) are 99.7% for women and 99.8% for men, while literacy rates among young people (ages 15–24) are 99.9% and 99.8% for women and men, respectively (UNESCO Institute for Statistics, UIS). In 2009, Georgia's net enrolment rate in primary education for both sexes was almost 100%, as was the transition rate from primary to secondary education (UNESCO, 2010/2011). In 2004 the Georgian Government adopted the "National Goals of General Education" document in order to ensure the implementation of a comprehensive policy in education and science. This document became the basis for educational reform. This reform changed the system of education financing completely. Instead of supporting educational institutions or programmes directly, financing from the budget is allocated to students and pupils who are authorized to use the funding at the institution of their choice (starting from 2006). This scheme was applied to all levels of the educational system.

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21   *The deciles were computed excluding the TSA payments.*

Figure 17: Social security expenditures
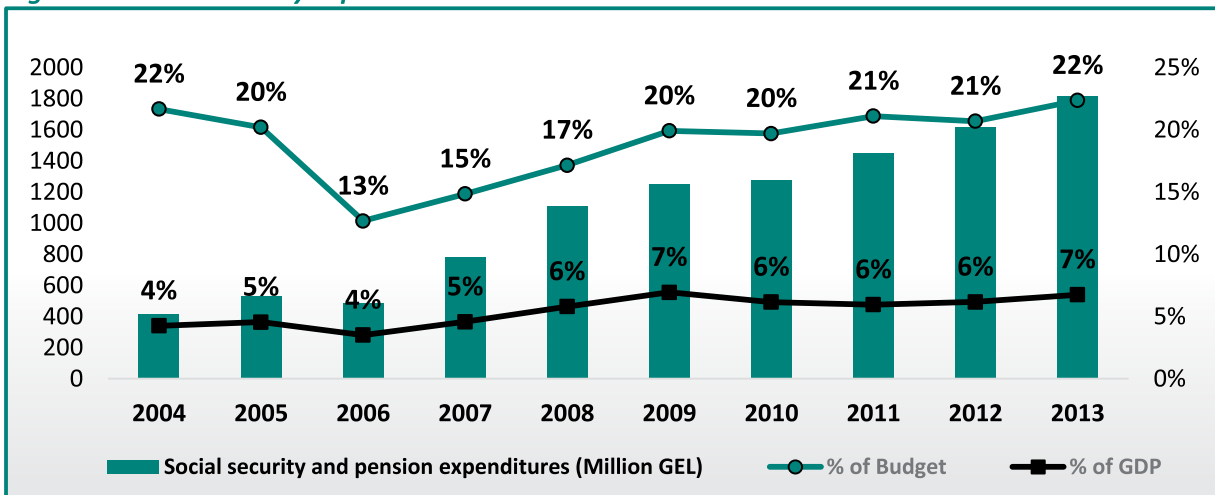
Source: Ministry of Finance of Georgia and GeoStat

Figure 18 shows how public expenditures on education evolved over time. Public expenditure on education includes government spending on educational institutions (both public and private), education administration and transfers/subsidies for private entities. Public spending has increased a lot compared to 2003. For example, annual growth rates in 2004 and 2006 stood at 81% and 46%, respectively. On average during 2003-2012 public spending on education increased by 22%. Even though the nominal value of education expenditure has increased over the last several years, its share in GDP is quite stable, varying between 2 and 3%, and lower than all but a few countries in Europe and Central Asia. Regardless limited public finances, recent report of the World Bank about Georgia's Public Expenditure Review states that "the per-capita financing system in the education sector is transparent and leads to an efficient allocation of resources" but "an efficient distribution of resources cannot offset substantial sector inefficiencies, such as poor teacher quality, and excess number of teachers from the pre-school through the secondary level" (World Bank Georgia, 2014: 27).

According to GeoStat 2013 data, wage in education sector ranked the lowest in the country compared to other economic activities. Even workers in in agriculture and fishing, and hotel/restaurant workers and social workers are getting a little bit more on average. The average monthly wage in the education sector was about 45% lower than the average wage across the whole economy[22]. Such low reimbursement rates do not encourage young, talented and motivated personal to enter in the market.

Apart from low reimbursement rates, inefficiency in the general education lies also in a very small workload of teachers, excess number of teachers and aged teaching force. Less than 19% of the teachers are under 35. Twenty one cent are 60 years and older, and continue to teach, since retirement is optional. Georgia has student teacher ratio – average 8:1. In small schools student teacher ratio is 6:1. This is very low compared to international standards. Too low student-teacher ratio does not lead to better student outcomes, as there is limited student interaction or sharing of tasks. Average of teacher's workload differs very much according to geographic location. Currently, average workload per week in mountainous schools is 14.7, in rural schools 13.6 and 15.2[23] in urban ones. These numbers are very low compared to OECD average which is 20 hours. Inefficiency of the general education is well revealed in pupils' outcomes. According to the 2009 PISA ranking, on average Georgia performed worse than all OECD countries in reading, mathematics and scientific literacy for 15-year-olds[24].

In 2013 the government declared provision of free of charge childcare service for everyone, thereby increasing public expenditures in education. This step of the government was motivated by equity considerations, i.e. provision of free preschool care to everyone but it raises efficiency concerns. International experience shows that countries with limited resources, which choose universal preschool service stand in front of quality quantity tradeoff and mostly they choose quantity at the expense of quality. In the case of Georgia, where a substantial willingness to pay for preschool services already

existed, probably the better approach would be to use means-testing when charging the fees. In this case, there would be more funds available both for those most in need and for overall quality improvements. The Starting Well Index[25] which ranks the preschool environments in 45 countries shows that free preschool care is not guarantee for good quality. 2012 ranking shows that essential elements for good quality preschool system rather are different like: A comprehensive early childhood development and promotion strategy, backed up with a legal right to such education; Universal enrolment of children in at least a year of preschool at ages five or six; Subsidies to ensure access for underprivileged families; Clear parental involvement and outreach and etc.

The *Global Competitiveness Report* of the World Economic Forum 2014 shows that country ranks in 92th place in the Higher Education and Training Pillar among 144 countries[26]. Regardless of positive trend during last years, county is still doing poor on both qualitative and quantitative measures, with much worth rankings in qualitative one. For example county's rank in quality of math and science education and in quality of the educational system is 105 and 98 respectively, while ranking in secondary and tertiary education enrollment rates are 80 and 84. One exceptional measure is internet access in schools, were Georgia ranks number 59.

Education expenditures amount to less than 3% of average monthly expenditures for Georgian households. A household's monthly expenditures on education were increasing since 2003, with the only exception in 2011. As a share of total household expenditure it dropped a little bit in 2008, 2011 and 2013. 2013 decrease is probably explained by provision of free childcare service, and provision of school children with free books. Overall expenditures on education did not increase in proportion to a household's income. In general, as Figure 19 shows, family incomes grew along with education spending.

Figure 19: Distribution of Average Monthly Education Expenditures
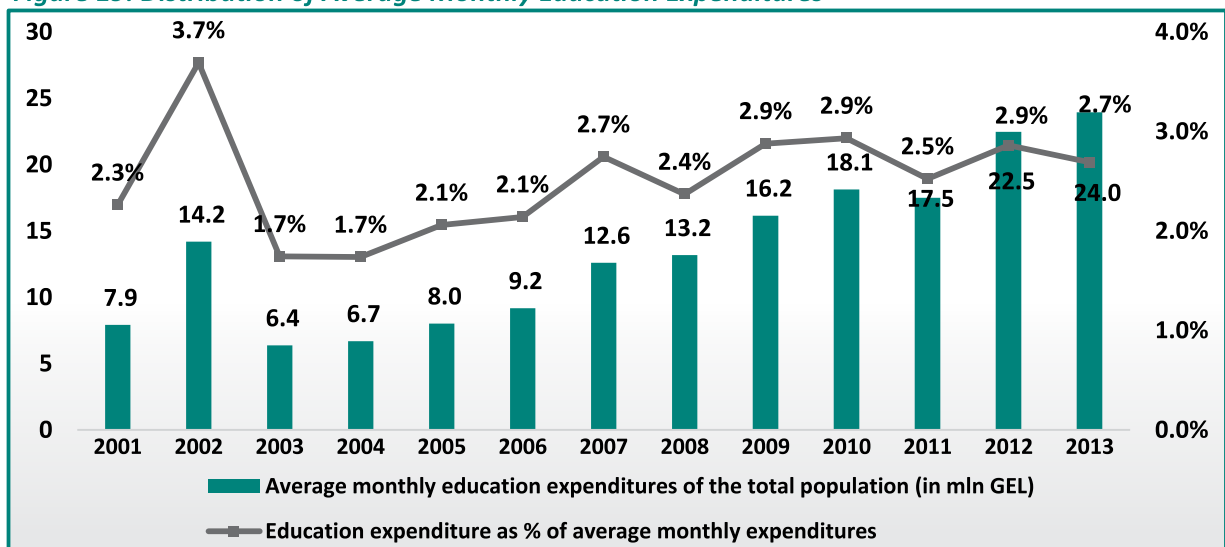
Source: GeoStat

34

Population Dynamics, Sexual and Reproductive Health in the Context of Economic and Social Processes

1. Trajectory and Growth of the Population in the Context of the Demographic Transition

a. Population trends

The slow demographic growth of Georgia is a relatively recent phenomenon. During Soviet times, Georgia had an intermediate level of growth of just over 1% per year (1950-1991), which exceeded that of most countries in Eastern Europe, although it was smaller than that of the Central Asian Republics, Albania, Azerbaijan, Moldova, Turkey or even Armenia. This situation remained essentially unchanged until independence, although there was some change in migration patterns between the 1950s and 1960s, when the migration balance was positive, to the 1970s and 1980s, when it became marginally negative. However, since independence the rate at which the country has been losing population, even without counting the loss of Abkhazia and South Ossetia due to acts of war, has been unmatched in the region, with the possible exception of Moldova and the Baltic Republics. Both low fertility and high levels of emigration have contributed to this situation. According to the UN Population Division (2013), net emigration rates from Georgia (including Abkhazia and South Ossetia) during the period from 1990 until 2010 were the third highest among the countries of the world with more than 1 million inhabitants, after Albania and Armenia. There are indications, however, that the situation has significantly improved since 2008, especially with respect to fertility.

Despite the existence of a long series of civil registration data, censuses in 1989 and 2002, and several high quality surveys, there are considerable doubts about demographic trends in Georgia. The main reasons for these doubts are:

1. Significant gaps in the civil registration data of the period from 1990 until 2010;

2. Even greater uncertainties about international migration data during this period;

3. Different options regarding the handling of data on Abkhazia and South Ossetia after 1994;

4. Ambiguities in the 2002 census regarding the true migrant status (temporarily absent, living abroad but planning to return

or permanently living abroad) of (former) household members not present at the time of enumeration and its implications for the country's de facto population size; and,

5. The fact that no new population census has been conducted since 2002 (a census is planned for November of 2014), so that the current population size has to be estimated on the basis of estimates, subject to a good deal of uncertainty.

Table 4 compares three alternative sequences of estimated and projected population sizes: the official sequence used by GeoStat, an alternative sequence of estimates and projections elaborated by Prof. Tsuladze, of the Ilia University, and the latest update (2012) of the *World Population Prospects* elaborated by the UN Population Division (United Nations, 2013 a). One feature of this table that stands out is the different treatment given to the data of the population census of 2002. This addresses the issue raised in point 3 above. As would be expected, GeoStat takes the result of the census (4,371,535) for what it is, without applying any kinds of corrections. The UN Population Division (UNPD) applies a 6.4% *upward* correction to adjust for undercount. This reflects the fact that, unlike the other two projections, it continues to include Abkhazia and South Ossetia as part of the national territory, even after 1993.[27] Tsuladze, on the other hand, applies an 8.5% *downward* correction to adjust for the fact that the 2002 census was based on *de jure* enumeration and counted many migrants who did not actually live in the country, but were still enumerated in their households of origin.

Specifically, the census enumerated 114 thousand individuals through the so-called Migrant Questionnaire, which collected information on (former) household members living abroad. However, given that households were reluctant to declare that some of their members had moved abroad and taking into account that an estimated one million Georgia citizens left the country between 1990 and 2002, it is entirely possible that the actual number of persons counted in the 2002 census who were not living in the country is larger, and that some of them were enumerated as current household

members, rather than using the Migrant Questionnaire[28]. It should be noted that, due to these kinds of ambiguities, the technical staff of GeoStat was opposed to the enumeration of (former) household members living abroad, even though this will again be done in the 2014 census and is in line with the practices of other European countries.

Table 4: Alternative estimates and projections of the population of Georgia on January 1st of 1990-2020 (in thousands)

	Geo-Stat	Tsu-ladze	UN Population Division (2012 Revision)		
			Low	Middle	High
1990	5,424	5,178		5,463	
1991	5,453	5,206		5,439	
1992	5,467	5,216		5,382	
1993	5,346	5,078		5,299	
1994	4,930	4,625		5,204	
1995	4,794	4,475		5,112	
1996	4,675	4,342		5,029	
1997	4,558	4,213		4,956	
1998	4,505	4,152		4,892	
1999	4,470	4,112		4,833	
2000	4,435	4,073		4,773	
2001	4,401	4,034		4,713	
2002	4,372	4,001		4,652	
2003	4,343	3,966		4,593	
2004	4,315	3,931		4,540	
2005	4,322	3,899		4,495	
2006	4,401	3,869		4,461	
2007	4,395	3,839		4,436	
2008	4,382	3,814		4,419	
2009	4.385	3,797		4,407	
2010	4,436	3,790		4,395	
2011	4.469	3,786		4,381	4,384
2012	4,498	3,777		4,366	4,374
2013	4,484	3,768		4,350	4,365
2014	4,491			4,307	
2015				4,279	
2016				4,251	
2017				4,221	
2018				4,190	
2019				4,157	
2020				4,124	

Sources: UNFPA Georgia (2013 a), United Nations (2013 a)

27 The exact present size of Abkhazia's population is unclear. The 1989 census counted 525,061 people in Abkhazia. A census carried out in 2003 enumerated 215,972 people, but this number is contested by the Georgian authorities. Geo-Stat estimated Abkhazia's population to be approximately 179,000 in 2003, and 178,000 in 2005, the last year when such estimates were published. The International Crisis Group estimates Abkhazia's total population in 2006 to be between 157,000 and 190,000 or between 180,000 and 220,000 as estimated by UNDP in 1998. According to the last census in 2011 Abkhazia had 240,705 inhabitants, 122,069 of whom were ethnic Abkhazians. Dara on the current population of South Ossetia are even harder to come by, but the most commonly cited figure is 70,000 inhabitants.

28 The problem was mainly due to population's responses. After collapse of Soviet Union many citizens left Georgia to find the job outside of country, a large number of them left as illegal migrants. Thus, family/HH members living in Georgia were reluctant for a number of reasons to enumerate their family members as migrants. As a result, the number of migrants in the population Census 2002 seemed to be underreported.

Figure 20: Percentage corrections to births and deaths of the civil registration system applied by Tsuladze
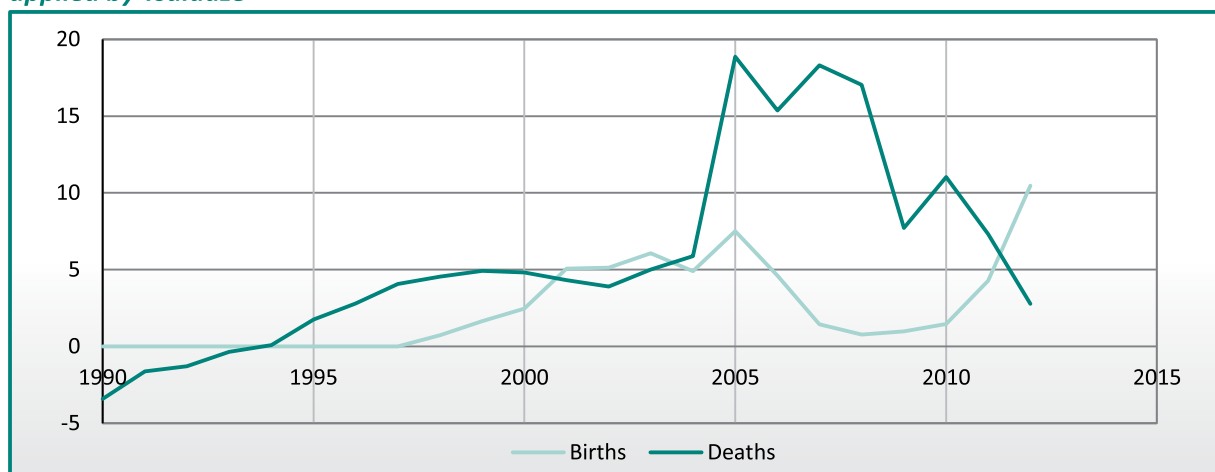
Source: UNFPA Georgia, 2013 a

In addition to the census, Tsuladze also applied corrections to the number of births and deaths in the civil registration system. To give an approximate idea about the amount of under-registration of the system, Figure 20 shows the size of the corrections made by Tsuladze to both births and deaths. As a result of the corrections in the number of deaths, Tsuladze's life expectancies are typically 2.5-3 years lower than those estimated by GeoStat. More information on mortality is provided in section III.4.

The 2010 GERHS has some data on factors that influence birth registration (Table 6.4.4). There is no significant difference by birth order or age of the mother. The difference between urban and rural areas is small. There are, however, a higher proportion of unregistered births in Kakheti, Guria and Kvemo Kartli. There is also a higher incidence of unregistered births among the lowest educational categories and the lowest wealth quintile. Most importantly, there is a major difference between births delivered in hospitals (more than 97% registered) and births delivered at home or elsewhere, about a third of which are not registered. The Georgia Welfare Monitoring Survey (WMS) of 2011 (UNICEF, 2012 a) reached more or less the same results, although it also found slightly lower proportions of registered children among Armenian and Azeri ethnic groups and among the population of Shida Kartli. It also noted a significant improvement of the proportion of children registered, from 91.9% in the 2005 MICS to 98.5%. Together with the 92.9% rate found in the 2005 GERHS and the 97.3% rate found in the 2010 GERHS, this confirms that there has indeed been a significant improvement in the coverage of birth registration in recent years.

One of the most dramatic effects of the divergent population projections in Table 4 concerns the estimated levels of fertility (TFRs). Based on the official GeoStat data series, there were 583,537 births in the years from 2002 until 2012. Tsuladze applies a 4.2% upward correction to this, estimating the total number at 608,000. This is almost the same correction that is found when applying the estimates of coverage of birth registration in the GERHS, MICS and WMS of the previous paragraph to the births registered by GeoStat.

This is as far as the numerators are concerned. However, a much more important difference results from the denominators, due to the fact that GeoStat (and the UN Population Division) include persons who do not actually live in the country and are not likely to have registered their births there. Thus, in 2012, GeoStat registered 57,031 births, against a total of 63,000 estimated by Tsuladze and 57,899 if the correction factor of the 2011 WMS is used, but these births have to be divided by 4,484 thousand in the case of GeoStat (corrected or uncorrected) and by 3,768 thousand in the case of Tsuladze's alternatives estimates. In terms of TFRs, this translates into a level of 1.668 children per woman (1.693 with the correction factor) in the former case and 2.344 in the latter. The fact that the latter is well above 2.1 casts serious doubt on the notion that Georgia is still a low fertility country that requires government policies to raise its birth rate.

Table 5: Alternative estimates and projections of the TFR of Georgia 1990-2020

	GeoStat		Tsuladze	UN Population Division (2012 Revision)		
	Uncorrected	Corrected*		Low	Middle	High
1990	2.155		2.288		2.13	
1991	2.075		2.210		2.09	
1992	1.716		1.837		2.05	
1993	1.537		1.682		1.98	
1994	1.517		1.660		1.92	
1995	1.540		1.696		1.85	
1996	1.550		1.718		1.79	
1997	1.550		1.740		1.72	
1998	1.500		1.701		1.69	
1999	1.440		1.632		1.66	
2000	1.460		1.666		1.64	
2001	1.440		1.678		1.61	
2002	1.545	1.545	1.661		1.58	
2003	1.526	1.526	1.666		1.62	
2004	1.510	1.617	1.775		1.67	
2005	1.390	1.473	1.722		1.71	
2006	1.400	1.468	1.740		1.76	
2007	1.450	1.505	1.762		1.80	
2008	1.670	1.716	2.036		1.80	
2009	1.860	1.900	2.314		1.80	
2010	1.830	1.858	2.322		1.81	
2011	1.689	1.715	2.237	1.69	1.81	1.94
2012	1.668	1.693	2.344	1.56	1.81	2.06
2013				1.53	1.81	2.10
2014				1.50	1.81	2.13
2015				1.47	1.82	2.16
2016				1.44	1.82	2.19
2017				1.42	1.82	2.22
2018				1.40	1.82	2.24
2019				1.38	1.82	2.26
2020				1.36	1.82	2.28

Sources: UNFPA Georgia (2013), United Nations (2013 a)

* Corrected by PSA Team based on the correction factors suggested by the GERHS, MICS and WMS.

Which of these different population and fertility trajectories is closer to the truth will only be definitively known after the realization of the 2014 census. Meanwhile, the trajectories can be partially validated with the data of the 1999, 2005 and 2010 Georgian Reproductive Health Surveys (GER-HS). The TFR found in the 1999 GERHS (1.7) is more or less in line with the estimates produced by the UNPD and by Tsuladze, but it is about 10% higher than the official figure. For the period of 2002-2005, the 2005 GERHS yielded a TFR of 1.565. This is 8.5% *higher* than the official estimate for the same period and 8.5% *lower* than Tsuladze's estimate. It is also lower than the United Nations estimate, but here the difference is somewhat smaller: about 5%. For the period of 2007-2010, the 2010 GERHS yielded a TFR of 1.995. This is 15.8% *higher* than the official estimate for the same period and 6.4% *lower* than Tsuladze's estimate. In this case, however, the estimate of the GERHS is substantially (10.7%) *higher* than the United Nations estimate.

In summary then, one would conclude that:

1) The official estimates of the TFR are consistently 10-15% too low, at least until 2010.

2) The fact that they continue too low even after a correction factor based on the GER-HS, MICS and WMS has been applied to the number of registered births suggests that the main problem is in the denominator (population by age group) and not in the numerator (registered births).

3) Tsuladze's estimates are closer to those of the GERHS, but seem to be biased upward, at least in the more recent data.

4) The UNPD estimates seem to be slightly too high in the early part of the 2000-2009 decade, but too low after that.

Another element that may be used to validate the estimates is enrolment in general education. According to GeoStat, there were 226,882 children between the ages of 7 and 11 enrolled in primary education for the 2013/14 school year. Taking the age specific enrolment rates found in the 2010 GERHS as a reference (97.3% for age 7, 98.6% for age 8, 98.9% for age 9, 98.3% for age 10 and 96.8% for age 11) one can estimate the number of children in this age group. This estimate suggests that both the official figure and Tsuladze's projection for the age group are about 3.5-4% too low.

Considering all of the elements above, Tsuladze's projection was adjusted, yielding the following sequence of population sizes and TFRs (Table 6). While the actual population size and fertility level of the country will only be known after the results of the 2014 census are processed, Table 6 provides a plausible approximation to the current values. It has been taken as a reference for all the popula-

tion analyses in this study, primarily for the trends up to 2013. The projections after 2013 are based on constant fertility, mortality and international migration and should be considered purely hypothetical.

Table 6: Projected populations (in thousands) for Georgia (excluding Abkhazia and South Ossetia) on January 1st 2002-2013 and Total Fertility Rates, using the 2005 and 2010 GERHS and the enrolled population for age 7-11 in 2013/14 as calibration criteria

	Population	TFR
2002	4,164	1.546
2003	4,136	1.552
2004	4.107	1.654
2005	4,081	1.589
2006	4,053	1.599
2007	4,026	1.611
2008	4,029	1.841
2009	4,036	2.062
2010	4,049	2.048
2011	4,059	1.935
2012	4,065	1.972
2013	4,073	2.010
2014	4,082	2.010
Assuming constant fertility, mortality and migration rates after 2013		
2015	4,090	2.010
2016	4,097	2.010
2017	4,104	2.010
2018	4,109	2.010
2019	4,113	2.010
2020	4,116	2.010
2021	4,119	2.010
2022	4,120	2.010
2023	4,120	2.010
2024	4,119	2.010
2025	4,118	2.010
2026	4,117	2.010
2027	4,115	2.010
2028	4,113	2.010
2029	4,111	2.010
2030	4,109	2.010
2031	4,108	2.010
2032	4,107	2.010
2033	4,106	2.010
2034	4,106	2.010
2035	4,106	2.010

What this table shows is that during the 2002-2014 period the population size of Georgia has oscillated just above the 4 million mark, with a slight decline until 2007 and a small recovery since then. Perhaps more importantly, the table suggests that fertility in Georgia, after a major slump until 2007, has passed through a remarkable recovery in recent years and at present encounters itself just below the replacement level. This recovery had also been pointed out by Tsuladze, but in our opinion his projected population size is too low and consequently the recovery of fertility in his projections is somewhat exaggerated.

b. Fertility

Regardless of whether one believes Tsuladze's projections or the ones displayed in the table above, the conclusion has to be that recent fertility in Georgia is substantially higher than what the statistical authorities have been disseminating officially. Actually, current fertility in Georgia may be the highest anywhere in Europe, with the possible exception of Ireland and Iceland. This by itself sheds some doubt on the need for specific government policies to raise birth rates. For further considerations on this issue, see Section 6 of this chapter.

Despite the low fertility level in the decade before 2008, the childlessness of women aged 40-44 is still relatively low by Western European standards, According to the 2005 GERHS, it was 10% and in 2010 it had increased to 15%. These numbers are somewhat deceptive in that these women belong to older cohorts, in which fertility was still higher. It is to be expected, therefore, that childlessness of women in this age group will continue to increase for some time to come, despite the recent increase in birth rates.

An overall fertility level of around the replacement level places Georgia between the countries of Eastern Europe, where fertility is low, and the Central Asian republics, where it is still moderately high. Nevertheless, at present Georgia has the highest level of adolescent fertility of all countries in the EECA region. The average age at first birth (24.3 years in 2012) is more or less in line with that of neighbouring countries and with the Central Asian republics, but significantly lower than in Western and Central Europe. Adolescent fertility has increased since the turn of the century and reached a peak of 61.4 per 1,000 in 2009 (taking the projected population of ages 15-19 in Table 6 as a denominator).[29] The implications of this high fertility among young people will be further discussed in the section on youth in Chapter IV.3.

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29 This is higher than the official rate of 52.0 per 1,000, due to the fact that the latter is based on a denominator of 171,000 women aged 15-19 years in 2009, whereas the projection in Table 6 has only 145,500. The 2010 GERHS found an average of 39 per 1,000 over the three year period preceding the survey, which should be contrasted with the official average of 48.1 over the same period.

In terms of fertility differentials, the TFR in Tbilisi, according to the 2010 GERHS, is about 10% lower than in the rural areas. Fertility among the Azeris is about 20% higher than among ethnic Georgians, especially due to the high birth rates of young women, between the ages of 15 and 25. The region with the lowest TFRs is Guria (1.7) and the highest fertility rates are found in Mtskheta-Mtianeti and Racha-Svaneti (2.3). Adolescent fertility is particularly high in Kakheti, Kvemo-Kartli and Racha-Svaneti.

c. Dependency ratio and demographic dividend

Of course, the various projection alternatives of the Georgian population also have a variety of other implications, such as the age dependency ratio. There was a period of relatively high dependency in the 1990s, due to high numbers of children and rising old-age dependency, but it started to decline as a result of stronger force of declining children which more than compensated the increase in elderly population. While there were 14 elderly and 37 children per 100 of working age population in 1988, now there are 22 elderly and 28 children on average. The overall age dependency ratio of 50.1 resulting from these numbers should be compared to the economic dependency rate of 121 inactive or unemployed persons per 100 occupied persons mentioned in section II.1.

According to the official figures, 17.0% of the Georgian population was under 15 years of age on 1 January 2013 and 13.8% was over age 65. This implies a dependency ratio of 44.5. Tsuladze's projections imply a higher ratio, due to the larger proportions of both children and older adults: 55.0. The projection in Table 6, as expected, yields an intermediate figure, of 50.1. According to this projection, dependency declined until 2008 when aging became its dominant component. Under current fertility conditions, it is expected to rise to 54.8 by 2020. The UN Population Division, which, of course, uses a different territorial definition of the country, lists a value of 49.7 for 2015. This is slightly on the high side for the countries of the region, most of which (Armenia, Azerbaijan, Belarus, Iran, Russia, Ukraine) have low ratios, and it is comparable to the ratios of Turkey, Turkmenistan, Uzbekistan, and Kazakhstan. The UNPD also expects a slightly steeper increase, from 49.7 to 54.7 by 2020.

Looking at the situation as it evolves over time and compared to other countries in the region, the image that emerges is that of a country where the

minimum of the age dependency ratio has not been particularly deep compared to other countries in the region. In other words, the demographic dividend in Georgia has not been particularly pronounced.[30] Azerbaijan, Belarus, Bosnia and Herzegovina, Iran, Moldova, Russia, TFYR Macedonia, and Ukraine are all set to experience more pronounced demographic dividends or have already done so. In that regard, Georgia is more like the Baltic Republics and the countries of Central Asia, where the maximum increase in the population of economically active ages has been or will be relatively modest.

d. Ageing

At present, 19.1% of the Georgian population is over age 60 according to official figures and 19.8% according to the projection underlying Table 6. This is close to the percentage in the Russian Federation, slightly less than in the Ukraine and more than in Armenia, Azerbaijan or the Central Asian republics. The UN Population Division projects that by 2050 the percentage of people over 60 in Georgia will be 32%, one of the highest in the region, although still well below the level of extremely aged societies such as Japan, Germany, the Republic of Korea, Italy or Spain. However, this projection is based on a lower TFR than currently experienced by the Georgian population. If the current TFR of roughly 2.01 were to be maintained in the future, aging could be considerably slower and the proportion of the population over age 60 in 2050 could actually be in the order of 25%.

e. Housing and household composition

As was observed in Chapter II, extended families are still an important feature of Georgian society. Table 7, which displays results from the 2002 census, shows that nuclear families did account for just over half of households in Georgia, but there was a significant number of three generation and multiple family households. On the other hand, the proportion of one person households was well below the Eastern and especially the Western European average. Nevertheless, average household sizes were not large, except in multiple family households. The average also varied regionally,

30 The demographic dividend refers to a phase in the demographic transition of a country in which fertility has declined sufficiently to reduce the youth dependency ratio (i.e. relatively few people aged 0-14), but ageing at the top of the pyramid (over age 65) is still not very evident. During this period, as much as 70% of the population can be concentrated in the economically productive ages (15-64), which – in theory – can favor economic growth and development (see Bloom, Canning and Sevilla, 2003). In practice, however, there are several obstacles to the realization of the economic benefits of this process. In some countries (including Georgia), it is too slow to result in a very high concentration of the population in the productive ages. In addition, high unemployment (also relevant to Georgia) and insufficient human capital formation of the young age cohorts can limit the benefits of the process.

from a low of 2.83 in Racha-Lechkhumi and Kvemo Svaneti to a maximum of 4.08 in the Autonomous Region of Adjara.

Table 7: Household structures in Georgia according to the 2002 census

	Perc.	Average Size
One Person Households	16.25%	1
Never Married	5.64	1
Widowed	7.17	1
Divorced/Separated	1.49	1
Nuclear Families	51.58	3.29
Two Parent	41.59	2.48
One Parent	9.99	3.48
Three Generation	18.60	4.75
Multiple Family	10.32	6.26
Other Structure	3.24	3.33

Source: GeoStat

According to UNDP (2013), based on survey data, 33.8% of Georgian households have no children under age 18, 24.9% have one child, 28.4% two children and 12.9% three or more children under age 18.The households of IDPs or people with disabilities tend to have slightly fewer children than average households, whereas households living in high mountain areas tend to be slightly larger (42.2% have two or more children), but the differences are quite small. Female-headed households make up 27.9% of the total. The proportion is larger (31.8%) among IDPs and households with at least one person with a disability (29.9%), and smaller in high mountainous areas (20.6%).

The housing stock existing in the country is a reflection of demographic patterns over the past 60-70 years. Almost half (47.4%) of the 1,173,558 households in the 2002 census lived in dwellings that were built during the period from 1960 until 1979, when the Georgian population increased by almost a million. Another 18.2% lived in dwellings built during the 1980s when growth was slower, yet another 400,000 inhabitants were added to the country's population. A large proportion (43%) of the households living in accommodations built during this period lived in individual apartments. But very little construction was carried out during the period of demographic decline after independence. Only 2.9% of the households enumerated in the 2002 census lived in housing from this period, the overwhelming majority of which (76.5%) in individual houses, rather than apartments. On the other hand, 10% lived in buildings dating back to 1940 or earlier. About a sixth of households living in buildings from this period, as well as the period from 1940 to 1959, lived in houses that had been divided into individual living quarters for families. From 1960 on the proportion of housing that had to be split up between several families became smaller and of the households living in buildings constructed after independence only 11.2% was housed in this manner. That housing was being divided at all during this period probably reflects not so much a housing shortage as the inability of many families to pay the rent of a complete family unit.

According to UNDP (2013), only 9% of Georgian households do not own the house they are living in, 60% own some land and about half have some livestock. The situation is quite different for IDP households. More than 60% do not own their place of residence and more than 80% do not own land or livestock. IDPs have lost their houses in the course of the displacement and only a minority managed to become home owners again. Compared to regular households, IDPs living in the private sector have a 14% lower probability of owning the place of residence and the houses they occupy are more often of inferior quality. As for the IDPs living in collective centres, compared to regular households, their risk of living in an overpopulated apartment is 24% higher. High mountain households are also less likely to own a house compared to regular households, but their probability of owning livestock is 7% higher.

2. Changes in the Situation of Sexual and Reproductive Health, with an Emphasis on Fertility

As was indicated in the previous section, regardless of whether one believes Tsuladze's projections (Table 4) or the ones displayed in Table 6, the conclusion has to be that recent fertility in Georgia (since 2008) is substantially higher than what the statistical authorities have been disseminating officially. Even according to the more conservative estimate in Table 6, it is currently situated at about or just under the replacement level, thereby taking away much of the rationale for policies to combat

low fertility in the country. What is less clear are the reasons for this remarkable recovery of recent fertility levels. In principle, one may think of four categories of reasons:

1) Improvements in the vital registration system;

2) Greater confidence in the future, sustained by positive economic growth rates in recent years;

3) The war effect: In some of the interviews during the mission it was pointed out that the crisis that accompanied the 2008 war may have stimulated marriage and family formation, not only to officialize existing relationships in order to ensure certain benefits, but also as a deeper psychological reaction to the uncertainties of the times.

4) The Patriarch effect: At the end of 2007, Patriarch Ilia II sparked what was then widely advertised as a baby boom, by promising to personally baptize any baby whose parents already had two or more children. Georgian President Mikhail Saakashvili publicly stated that the Patriarch deserves much of the credit for the rising birth rate, which was 35% higher in 2009 than in 2005. As of April, 2014 the patriarch already had about 20,000 god-children.[31]

In theory, there is also a fifth possibility, namely that the recent increase of fertility is a tempo effect resulting from the postponement of fertility by women who did not have children in their twenties, but now have them in their thirties. In some countries of the region, such as Albania, Moldova and Turkey, this tempo effect is having a significant effect on fertility trends. But in Georgia, it is not particularly relevant because the mean age at childbearing of women has not varied a great deal: from 25.7 years in 1997 to 26.7 years in 2012 (24.3 years for the first birth). This is still very young. Actually, it is the third youngest fertility pattern in the region, after Azerbaijan and Armenia, and indeed one of the youngest fertility patterns in the world. As a consequence, Vobecká et al. (2013) make only a minimal adjustment to the Georgian TFR to account for fertility postponement effects.

The largest increase in official birth statistics took place in 2009 and 2010. This cannot easily be attributed to improvements in the registration system, given that the recent improvements in the civil registration system were only beginning to be

31 http://kvira.ge/?p=34591

implemented then. An indication of the latter is that the ratio between the numbers of births registered in 2008-2010 and in 2002-2005[32] was almost identical to the ratio between the TFRs in the 2010 and 2005 GERHSs which referred to those years (1.282 and 1.275, respectively), suggesting that the effect was real and not the result of changing coverage. Another indication is that the improvement in birth registration coverage between 2005 and 2011, as evidenced by the different surveys that asked about this coverage, accounts for an increase of at the most 7-8% in the number of registered births and the population increase for at the most 3-4%. But the increase in the number of registered births was 24.7% and the number of births registered in 2011 was actually lower than in 2009 and 2010. In real terms, therefore, the TFR must have risen by at least 15-20%.

Attributing the trend to greater economic prosperity is equally unconvincing, given that 2009 was actually a year of economic recession.[33] The "war effect" is a possible explanation, although one may ask why a similar effect was not observed during the earlier conflict in the early 1990s.

It is possible that this spike in the birth rate was really due to a timing effect brought about by the announcement of the Patriarch that he would personally baptize children of third or higher birth orders. One expert commented "…The Patriarch's role in stimulating fertility is crucial; the number of birth given to third children in a family has increased considerably after his initiative. I would say that the initiative of Catholicos-Patriarch of all Georgia has increased the number of new born children by 20-30%" (Rezonansi, 11 June, 2010, cited in Badurashvili et al., 2011: 50).

The total number of 20,000 godchildren of the Patriarch constitutes about 35% of the number of third and higher order children born during the period from 2008 until April of 2014. It is also about 25% of the additional number of births occurred between those dates, compared to what would

32 The births for 2002 and 2005 received a weight of 0.5 to make them more comparable with the 2005 GERHS which was held around the middle of 2005, whereas the 2010 GERHS was conducted at the end of 2010. Of course, the number of births is not strictly comparable to the TFR because it does not consider the age structure of women, but considering the age structure of women according to the projections in Table 6 only weakens the case for improving registration as the explanation for the trend.

33 It may be significant; however, that in the 2008 Caucasus Barometer Survey 66% of the respondents aged 18-35 declared that they expected their children to be financially better off than they themselves were by the time their children would reach the same age. This percentage has since then been more or less maintained, with a slight dip in 2009. The percentage of people in this age group who declared that they would consider leaving Georgia permanently was 12% in 2008 and has mostly declined in subsequent years. Unfortunately, the 2008 survey was the first of its kind, so the results cannot be compared to earlier data. Another relevant statistic is that UNICEF (2012 b) found that, between 2009 and 2011, 20.4% of households rose out of (general) poverty, whereas a smaller number (14.0%) fell into poverty during this period.

have happened if the annual number registered in 2002 had remained constant. By those criteria, therefore, the statement makes some sense. But of course there is no telling what proportion of the 20,000 would have been born anyway, without the prospect of a Patriarchal baptism. The number of higher-order children born in these years was actually rather modest. Only 3.4% of the increase in births between 2002 and 2008 can be attributed to third and higher birth orders. The proportions for 2009 and 2010 were 10.9% and 15.4%, respectively. Most of the increase in numbers of births in 2008-2010 is accounted for by first order (63.8% of the increase between 2002 and 2008, 52.4% of the increase between 2002 and 2009 and 38.2% of the increase between 2002 and 2010) or second order births (32.8%, 36.6% and 46.4%, respectively). There is no telling if some of the additional first and second births that occurred during the period were stimulated by the prospect of eventually having a third child eligible for the Patriarchal baptism, but it seems rather far-fetched.

Badurashvili et al. (2011) analyzed the two waves (2006 and 2009) of the Georgian Generations and Gender Survey (GGS) and found that only 3.3% of those couples who in 2006 declared that they definitely did not want any more children had changed their minds about that decision in 2009. Ideal completed family sizes had remained constant at 2.4 children, and the percentage of women with two children who planned to have a third had actually declined, from 11.4% to 9.9%. However, a comparison of the 2005 and 2010 GERHS suggests otherwise, with an increase from 13% to 21% of women aged 15-44 with two children who declared that they wanted more children. Among those with three or more children, the percentage, though small, also went up, from 4% to 8%. The 2010 GERHS also showed a small increase in the declared ideal family size, to an average of 3.0, up from 2.8 in 1999 and 2005, substantially higher than what was found by the GGS.[34]

Looking at more recent birth statistics, from 2011-13, the picture is somewhat different. Overall, the number of registered births in 2013 was 24.2% higher than in 2002, not as high as during the boom years, but an increase nonetheless. Again, it is possible and even likely that some of this apparent increase was due to improved registration. However, the 2013 Integrated Household Survey found 1559

children in the ages of 0-2 years, compared to 1527 aged 3-5, suggesting that actual fertility did not go down after 2010 and that the relatively high numbers of births registered in 2011-2013 are not merely a result of better registration.

Also, the increase is not uniform by birth orders. First births in 2013 almost returned to their 2002 numbers, but second and third births continued as high as or even higher than during the previous period. Of the increase of numbers of births between 2002 and 2013, 63.5% corresponded to second order births and 25.2% to third or higher birth orders. Actually, the number of officially registered third or higher order births in 2013 was the highest since 1992 and about 13% higher than what it was in 2008-2010 when the upsurge in birth rates was more clearly linked to an incentive for third and higher order births. Another fact that may need to be pointed out is that, despite the upsurge in third and higher order births in recent years, the percentage of women aged 15-44 with three or more children is still not back at the level where it was in 2005 (14.9% according to the 2005 GERHS). The 2010 found it to be 12.0% and projections to January of 2014, using birth registration data, suggest that it continues to be 12.0%, as older women with larger numbers of children are leaving the reproductive ages and younger age cohorts do not quite attain the same numbers of higher order births.

All in all, the data so far do not allow a clear-cut interpretation of what is behind the recovery of fertility since 2008, as none of the plausible explanations seem to be consistently supported by the available data. In the end, it may be that the increase is – to some extent – the result of all four factors listed above. That is, the cohort that started to form families around 2008-2010 may have been a rather special one, stimulated by the special circumstances of the time, possibly reinforced by the Patriarchal commitment made at the time. This cohort had first and second children during these years at a higher rate than the cohorts preceding them and at present many of them are having third children.

It will also take some more time to ascertain to how sustained the trend is going to be. The fact that it has been going on for 5 years now suggests that it is at least in part structural and not merely a timing effect. If the declared ideal family size of 3.0 children is any indication – almost one child more than the actual fertility level in 2010 – the trend still has some way to go. It is, however, too early to be sure.[35] But the fact that first births have almost

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34   There are also other data sources that inquire about ideal family sizes. According to the Caucasus Barometer Surveys, the median desired number of children per family is considered 3, and this number has not changed over the last four years (CB, 2010-2013). It is higher in some non-Georgian ethnic groups, such as the Azerbaijanis, whose median desired number of children is 4 (CB, 2013).

....
35   One should note, however, that the ideal family size asked for in the GERHS

returned to their 2002 levels and that the current elevation is mostly sustained by second and higher births may be a harbinger of lower fertility rates ahead.

Another contributing factor has to do with the smaller cohorts of women ahead. In the opinion of one demographer "…the present demographic boom has reached its peak and in coming years it may reverse. The situation may exacerbate from 2016 to 2018 as fewer enter the age of marriage, born after 1992" (Akhali Taoba, 28 December 2009, cited in Badurashvili, et al., 2011: 51). This will affect the number of births, though not necessarily the TFR. Based on the population projection in Table 6, the expectation is that the annual number of births will decline by 9% from 2013 to 2020 as a result of smaller numbers of women of reproductive age.

a. Nuptiality

To some extent, the oscillations in fertility levels in Georgia in recent years are linked to marriage behavior. Marriage trends show a similar pattern to fertility, but the decline in the late 1990s and early 2000s was much more pronounced. Whereas the total number of births declined by just over 50% between 1990 and 2003, and the number of first births declined by 40% between 1990 and 2002, the annual number of registered civil marriages in the period from 2000 until 2003 was only 35% of what it had been in 1990. A gradual recovery of civil marriages started in 2004 and by 2007 the number had almost doubled with respect to what it was in 2003. It rose by another 26% in 2008, stabilized in 2009 and reached its highest level since 1991 in 2010. After two years of a slight decline, the number of marriages in 2013 again came close to the 2010 maximum. The trend is represented in Figure 20 below. The increase in 2008 may be linked to the 2008 war as young couples may have married to ensure certain social benefits or even to evade military service, in the case of couples who were previously only married in a religious ceremony, but who had children from this union. This does not explain the fact that marriage rates continued high in subsequent years, even exceeding the 2008 level in 2010 and 2013. Informal comments made by some of the people interviewed in the course of this research suggest that the 2008 conflict may have caused a more permanent change in attitude regarding the value of the family, which may have stimulated young people to marry.

One of the most remarkable features of Figure 21 is that until 2008 the number of first births significantly exceeded the number of marriages, even if second and later marriages are included. In theory, one would expect the two to be about the same, especially in a country like Georgia where the first birth normally occurs one or two years after marriage. Associated with this trend is a major increase in illegitimacy. Births out of wedlock have always been higher in Georgia than one would expect in a country placing such a high value on marriage as a precondition for family formation. At the time of independence, illegitimacy was close to 20%. But it was in the period from 2001 to 2007 that it reached levels as high as 47%: about the same incidence as in Denmark! Since 2008, illegitimacy has declined, but about a third of all births continue to occur in unions that are not officially sanctioned, with slightly higher percentages among women under 20 and over 45.

Of course, unlike what happens in countries like Denmark, some portion of the children born out of civil unions is born in unions sanctioned by the Church. However, if one is to believe the numbers `from Caucasus Barometer, the number of unions exclusively sanctioned by the Church is insufficient to explain the large numbers of illegitimate births observed.[36] In the 2008 round of the survey, only 3% of the respondents in the 18-35 year age group (i.e. 6.5% of those in any kind of union)[37] declared being married by religious ceremony, without a state marriage license. It is likely that couples in this kind of union have higher fertility than those in civil unions. One can indirectly obtain some information on this by looking at the number of children in the household, according to the union status of the respondent: 0.76 for civil unions, 1.03 for combined civil and religious unions, and 1.33 for religious unions only. Combining this information, one may estimate that for each child registered in a formal civil union, there would have been about 0.112 born in religious unions without state recognition. But the actual number of births out of wedlock in 2001-2007 was 0.895 for each legally registered birth. Consequently, the vast majority (87.5%) of births out of wedlock during this period would not originate from either a religious or a civil union. Yet, the only 2% of persons aged 18-35 declared living in such a union in the 2008

is not that of the respondent's family, but a general societal norm applicable to "young families". Respondents do not necessarily have the same opinion about ideal family sizes of other families that they have about their own.

36 The most appropriate data source for this kind of information would be the population census, but unfortunately the 2002 census does not distinguish between civil and religious marriages. It found only 1476 never married women among the total of 604,936 women over age 15 who had children. Another indication of the relative insignificance of non-formal unions can be drawn from the 2013 Integrated Household Survey, which shows that only 3.7% of the married women aged 15-44 years had not registered their unions.

37 This roughly coincides with the 2010 GERHS, which found that 2% of women aged 15-44 were living in religious unions without legal recognition.

Figure 21: Annual number of registered civil marriages, first births and total births in Georgia, 1990-2013
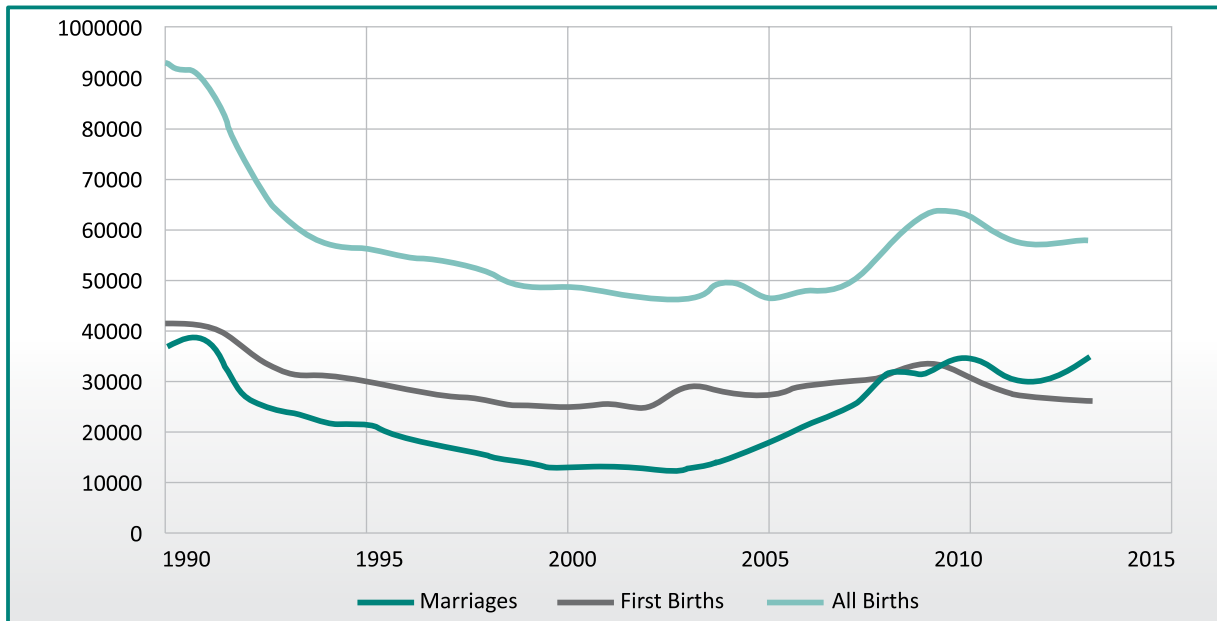
Caucasus Barometer Survey.

All of this leads to the conclusion that the number of marriages registered by the civil registration system between the mid-1990s and 2008 must have been substantially under-estimated. This is rather unexpected, considering that the registration data on first births was apparently of better quality. One would normally expect the opposite, given that marriage is a legal act that must, by definition, be registered, whereas the registration of births depends on the initiative of the parents.

Divorce rates in Georgia are relatively low compared to those in Western and Central Europe, although slightly higher than in Armenia, Azerbaijan and most of the Central Asian Republics (except Kazakhstan). In 2013, GeoStat registered a total of 8,089 divorces, compared to 34,693 marriages. However, the trend in recent years has been one of an increasing number of divorces, after a peak in divorce rates in the early 1990s and a period of very low rates of marriage dissolution between 1995 and 2005. The rates are now roughly back to where they were in the early 1990s, albeit with a slightly different profile. In the early 1990s, a high percentage of divorces occurred in relatively recent marriages and only 20-25% in marriages that had duration of more than 15 years. At present, about 40% of divorces occur in marriages that have existed for more than 15 years.

b. Abortion rates

High abortion rates continue to be one of the key challenges of the public health system in Georgia, despite the progress achieved since the 1990s. The 1999 GERHS identified a Total Induced Abortion Rate (TIAR) of 3.7, which by then was one of the highest in the world. In the following decade, with the assistance of international partners, the country made substantial progress, achieving a sharp decrease of the TIAR from 3.7 to 1.6 (GERHS2010). Official statistics on abortions are incomplete and the TIAR in 2007-2010 is calculated at 0.9, which is closer to the GERHS rate than in previous surveys, thus indicating improvement of abortion registration rates.

The age pattern for abortions reflects the fertility pattern, although births are more concentrated at earlier ages compared to abortions. According to GERHS more than half of abortions occur in the 25-29 and 30-34 age groups, followed by the 35-39 age group contributing to 25% of TIAR. Higher abortion rates are reported among rural women compared to urban, and are also associated with less education. The highest abortion rates are observed among Azeri women indicating unequal access to family planning services. The survey respondents report the following main reasons for abortion: desire to stop childbearing (51%), desire to space the next birth (18%) and socio-economic conditions (20%). These data indicate the unmet need for family planning services and replacing abortions with modern contraceptive methods.

The degree to which increasing contraceptive prevalence further depresses fertility in contexts where it is already low (under replacement) needs to be investigated more carefully. It is probably

Figure 22: Total Induced Abortion Rate: survey estimates and official sources
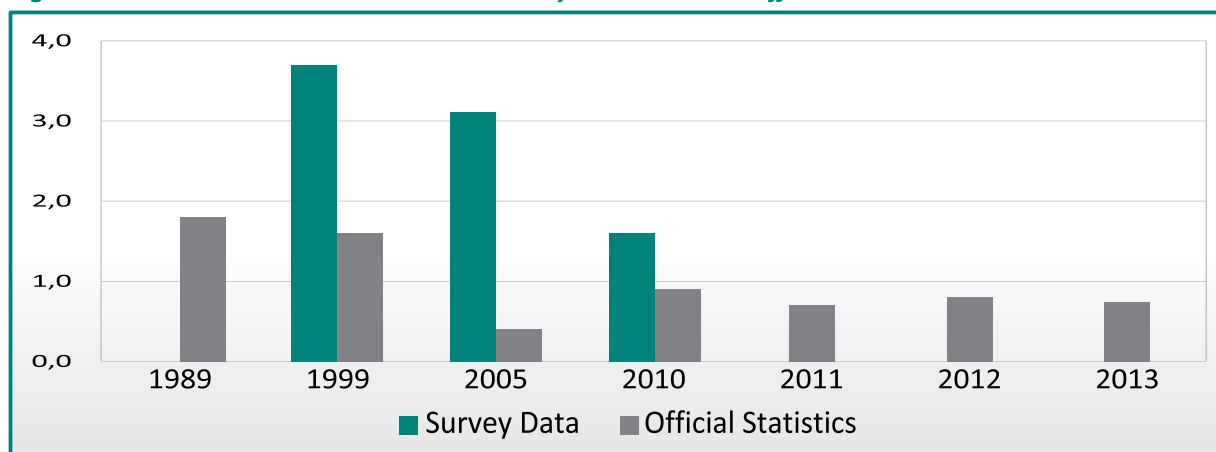
Sources: National Centre for Disease Control and Public Health (NCDC)

Figure 23: Changes in fertility, abortion rate and contraceptive prevalence between 1999 and 2010 - Source: GERHS
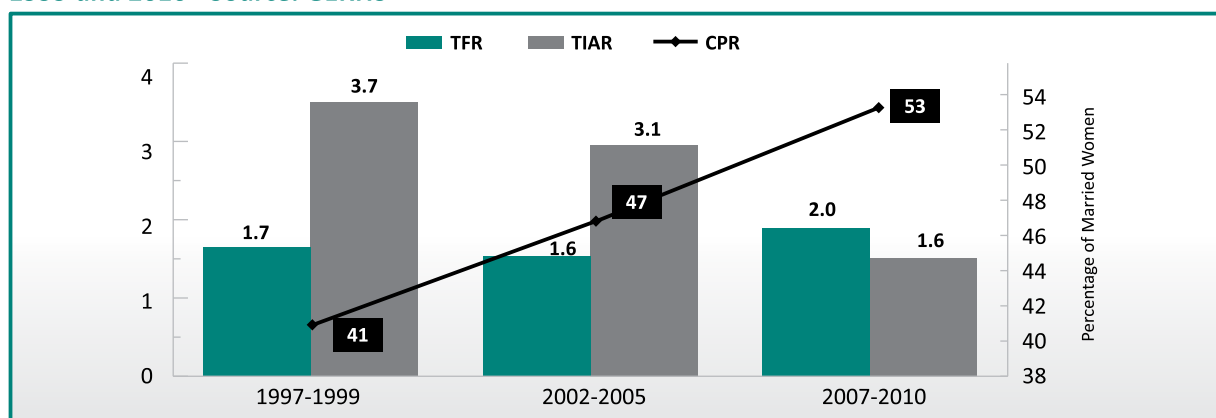
Source: GERHS

true that high CPRs, of 60 or 70%, are not compatible with very high TFRs of 5 or 6 children per woman, of the kind found in some African countries. But in a country like Georgia, there is no reason why a relatively high CPR cannot coexist with a TFR of 2.0 children or even with a fertility increase from 2.0 to 2.5. Assuming – for the sake of argument – that all women marry at age 25, that the average trial period before conceiving is one year, that post-partum infecundity is also one year, and that all women who do not want to get pregnant use efficient contraception (so as to make abortion unnecessary), the CPR of married women corresponding to a TFR of 2.5 would be roughly 65%, 12 percentage points higher than the figure found in the 2010 GERHS.[38] The reason why CPRs in Georgia have been much lower in the past is not that women were trying to have more children then,

but that they resorted more to abortion than to family planning as a method for having fewer children. However, as Figure 23 shows, this trend has changed in recent years. As abortion rates have decreased, since the 1990s, CPRs have been rising steadily without interfering in the fertility recovery that was captured by the 2010 GERHS. As was argued above, in the absence of abortion, the CPR may continue to rise to between 60 and 70% without creating any necessary impediment for a fertility increase to as much as 2.5 children per woman.

38 Ross and Frankenberg (1993) proposed the following equation for the relationship between the CPR and the TFR, based on the data of more than 90 countries: TFR = 7.2931 – 0.07 * CPR. According to this equation, the CPR corresponding to a TFR of 2.5 children would be 68.5%. Of course, this is an average and in Georgia the number might be slightly lower due to the fact that the age at marriage is higher than in most of the countries used in defining this equation and that pre-marital sexual activity is relatively low. High incidence of abortion changes this relationship of course.

Sexual and Reproductive Health

1. Health Systems and Service Delivery

Georgia has undergone series of health care reforms following the dissolution of the Soviet health care system with special emphasis made on strengthening maternal and child health and improving access to health care services. Nevertheless, despite the progress that has been achieved over the past 20 years, significant challenges remain in many areas related to the sexual and reproductive health of the population.

As described above since the independence Georgia implemented several waves of health reforms that resulted in complete remodeling of health care financing and delivery systems. The health care financing reforms are summarized in earlier chapters of this document and this section will briefly describe changes in health care delivery system and its continuous challenges.

As noted above the health insurance benefits under the government funded insurance programs covered the poorest quintile of the population, gradually expending coverage to other population groups such as teachers, IDPs, some civil servants, orphans, etc.). In September 2012 a substantial expansion of state insurance program introduced health insurance coverage for pensioners and 0-5 year children. Other population groups were either covered by private insurance or some services were funded by the government through so called vertical programs that included following services: screening and early detection programs (including cancer screening programs); immunization; treatment of infectious diseases; tuberculosis management; HIV/AIDS prevention and treatment; maternal and child health; drug addiction (including substitution therapy); mental health; diabetes management (including provision of insulin and other anti-diabetic medications); onco-hematology services for children; dialysis and kidney transplantation; palliative care of patients with incurable diseases; treatment of patients with rare diseases; emergency ambulance care and transportation; village doctor program; referral services for certain conditions. While these state programs provided access to some essential medical services, the scope and coverage of many of these programs was not sufficient and there are barriers in access to services that are not solely financial barriers but include other system-wide issues related to human resources, availability of services and

quality of care. Since the introduction of UHP, the government gradually expanded the list of medical services in the state funded benefit package, however the system-wide challenges described below continue to affect service delivery.

The healthcare delivery system inherited from the Soviet Union was characterized with excess hospital infrastructure with a high number of beds and medical staff. In 1991 Georgia operated 390 hospitals with 53,000 beds with the bed occupancy rate as low as 55.3%. The Government initiated a broad optimization of the hospital sector and by 2006 the number of hospital beds was reduced by 70% however due to the reduction of hospitalization rates the bed occupancy rate dropped further to only 32,3%. The first wave of privatization of medical facilities also occurred during these years.

Along with the reduction of hospital beds, the government initiated reforms of the primary health care system with the introduction of family medicine and general practitioner doctors and nurses. These reforms aimed to reduce highly specialized care at the ambulatory level and introduce gate keeping function at the PHC. However despite substantial international assistance and investments in PHC infrastructure and human resource development, the utilization of primary health care facilities continued to be very low (2.2 per capita). Along with this trend family doctors at PHC facilities had no role in sexual and reproductive health services that continued to be concentrated in specialized networks of Ob/Gyn specialty facilities such as women's consultation centers and other specialized networks such as STI dispensaries.

Further attempt to reform healthcare delivery system was initiated with the new wave of health financing reforms in 2007, when the Government approved the General Plan of Hospital Sector Development according to which the country would have 100 private sector-administered general and multi-profile hospitals with 7,800 beds, with an optimal 30-minute geographic access. The reforms were based on a broad privatization strategy and envisaged large-scale private investments in the hospital sector. However, due to the lack of interest of private investors along with the financial crisis the strategy was not implemented.

In 2009 the Government introduced innovative initiatives obliging insurance companies participating in the State Health Insurance Program to build or renovate hospitals in the regions of Georgia. This resulted in substantial private investments in the hospital sector and by 2013 over 130 fully renovated hospitals/medical centers were constructed.

Many of these centers provide inpatient, as well as outpatient and pre-hospital care at the district level. In many districts the hospitals were owned by insurance companies that resulted in the introduction of managed care mechanisms in the Georgian health care system. Hospital licensing regulations were modernized with simplified procedures focusing on general and minimum safety standards mainly focusing on infrastructure and equipment. However the government failed to introduce appropriate regulatory mechanisms for quality assurance and improvement. Measures targeted at quality improvement such as promotion of evidence-based practice and clinical practice guidelines are non-mandatory and not regulated, with limited compliance and thus no major effect on quality of clinical care services.

Despite further efforts in 2006-2007 with the development of the Primary Health Care Master Plan with the support from the European Union and the World Bank, the progress on primary care side was limited to rehabilitation or building of village ambulatories and continuing re-training of village doctors and nurses to become family practitioners. In 2009 the government made an attempt to revitalize primary health care signing contracts with 1360 doctors and 1480 nurses registered as individual entrepreneurial entities through the Social Services Agency and insurance companies These efforts have not resulted in fundamental change of the role of primary health care in the system, proper linkages and referrals were not established and patients continue to bypass PHC services for seeking costly specialty care.

Another challenge of health care system in Georgia is inadequacy of human resources. Over the past decade the number of doctors was rising, while the number of nurses decreased dramatically and the nurse to doctor ratio is 0.9 compared to 2.4 in the European Union. The excess number of doctors in the country can be explained with the opening of dozens of medical schools in late nineties and increased admissions that continue to be high. The number of newly graduated medical personnel per 100,000 inhabitants is twice as high compared to Europe and CIS countries (MoLHSA, 2012). There is also a lack regulatory mechanisms for post-graduate education effecting negatively professional development of medical providers in the country.

At the same time, the productivity of medical staff is low. One physician in hospital serves on average 42 patients per year and a PHC physician only receives three patients per day, indicating a very low

Figure 24: Human resources for health 2009 – international comparison
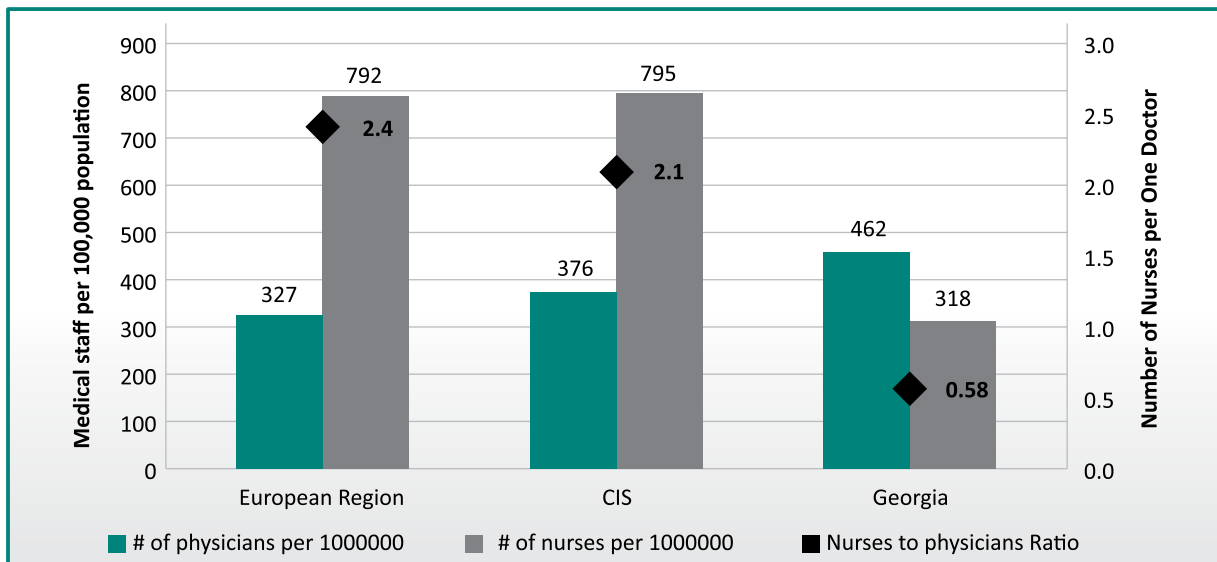
Source: WHO HFA Database 2010

occupancy (MoLHSA, 2012). Georgia is among the countries with the lowest utilization rates in the EECA region, according to WHO. As a result, average monthly salaries of medical personnel are also low. While the number of physicians is excessive, the distribution is uneven with excess of physicians in Tbilisi and shortage of some specialties in the regions.

While the first years of the "Georgian Dream" government focused on improving access to care for non-insured population and introduction of the Universal Health Care, plans are underway for reforms in other sectors. The new health care strategy is expected to be introduced by 2014 fall, with the following major directions: (a) health in all policies that will emphasize multi-sectoral collaboration; (b) health system stewardship, including strengthening regulatory mechanisms for quality improvement, protection of patients' rights and strengthening pharmaceutical policies; (c) health care financing improvement, including improving efficiency and introducing provider payment methods, ensuring sustainability of donor funded interventions through government funding; (4) development of quality medical services including integrated delivery models and strengthening primary healthcare; (5) human resource development, including comprehensive strategy for nursing education and certification and state support for residency programs in underrepresented specialties; (6) development of health information systems; (7) maternal and child health support that includes accreditation of perinatal care services, improving death registration and surveillance systems, strengthening regulations for induced and selective abortions, piloting home visiting models for children under 3 years and ensuring universal access to family planning services by providing of modern contraceptive supply and counselling in state financing schemes starting from 2017; (8) prevention and management of priority communicable diseases, including HIV/AIDS, tuberculosis and hepatitis C, as well as strengthening surveillance, laboratory control and response systems to infectious diseases, including preparedness to biological, chemical and radiation disasters; (9) prevention and control of priority non-communicable diseases, that includes targeting behavioral risk-factors and improving early detection; and (10) strengthening public health system, including integrated disease surveillance, strengthening public health network and targeting three major directions – behavioral risk-factor modification, road safety and environmental health.

One of the recent reforms introduced by the government is the re-institutionalization of the medical prescription system that was nearly fully abolished, that is aimed at rationalization of the use of pharmaceuticals. This regulation also aims to tackle a harmful practice of patients directly visiting pharmacies often in order to avoid out-of-pocket payments in healthcare facilities that results in high degree of self-treatment and irrational use of drugs, including antibacterial and other medicines that require prescriptions by a health care provider.

While many of these initiatives are fully compliant with international treaties and global health strategies, their implementation will require mobilization of significant financial, administrative and other resources and the detailed operational plan in place.

a. Antenatal care, skilled attendance at delivery, and postnatal care

Antenatal care services in Georgia are provided in specialized ambulatory care facilities, including women's consultations and women's health centers, ambulatory units of maternity houses and hospitals, as well as primary health care centers. According to data of the 2010 Georgia Reproductive Health Survey (GERHS), 49% of women receive antenatal care services at women's consultation clinics, 44% - at ambulatory care units of district and regional maternity houses and only 7% - at a primary health care or family medicine clinic.

The government provides funding for the antenatal care service package through various state programmes and it includes the following services: four antenatal care visits and at least one screening visit (for those women who do not use the full programme services); HIV, hepatitis B and syphilis screening; laboratory confirmation of HIV for women screening positive and antiretroviral treatment for mothers; hepatitis B immunoglobulin treatment for newborns; antenatal genetic screening (triple test and amniocentesis); delivery, for all women covered under the Universal Healthcare programme, including management of complications during pregnancy; screening of newborns and children for hypothyroidism, phenylketonuria, hyperphenylalaninemia and cystic fibrosis; and hearing screening for newborns (only Tbilisi).

The antenatal care programme requires women to conduct their first visit before the 13th week of pregnancy, with an attempt to incentivize women to start prenatal care earlier, although every woman is eligible for screening services provided by the antenatal care programme at any stage of the pregnancy.

The state-funded antenatal care package is based on the national antenatal care protocol, although the protocol includes additional antenatal care visits currently not covered by the state benefit package and thus women either pay out of pocket for additional visits or some are covered under private health insurance. Until the introduction of the Universal Healthcare programme the state maternal and child health programme only covered complicated deliveries for mothers (neonatal care has been 100% covered). This certainly restricted access to services for women.

According to national statistics and GERHS data, almost 98% of pregnant women received at least one antenatal examination, indicating a very high coverage of antenatal care services. The majority of pregnant women attended a prenatal care visit during the first trimester of their pregnancy (total 90%, urban – 93% and rural - 86%). According to GERHS 2010, 90% attended at least 4 antenatal visits with similar distribution in urban and rural areas and including 12% of women who received 10 and more antenatal visits. The 2012 national data from the National Centre for Disease Control and Public Health (NCDCPH) indicate that 84.2% of women attended at least 4 prenatal care visits with substantial regional differences (Figure 25). The majority of women (96-99%) underwent at least one measurement of weight, height and blood pressure, as well as urine tests, basic blood tests and an ultrasound (GERHS 2010). The GERHS data also indicate that 65% of pregnant women were tested for HIV (75% and 55% in urban and rural areas respectively). As part of antenatal care services, women also receive health education counseling, including nutrition counselling (89%), information about delivery (81%) breastfeeding (79%), first signs of com-

Figure 25: Women consultation facilities data on antenatal care by region, Georgia 2010-2013

Source: NCDCPH

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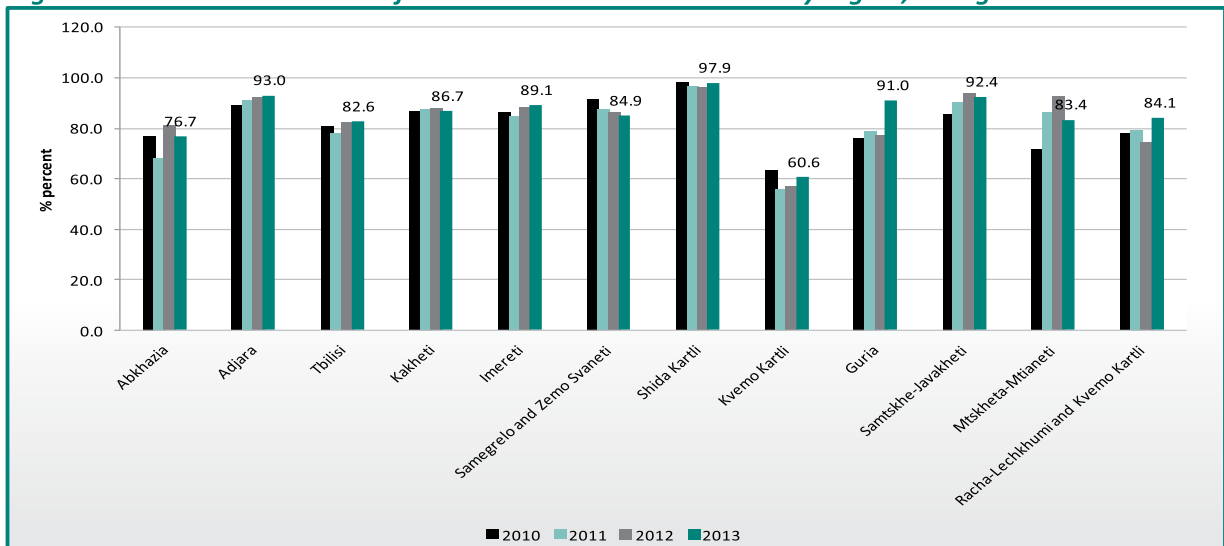
plications during pregnancy (33.3%), smoking and alcohol use (63%), postnatal care (59%) and family planning after birth (39%).

As noted above, the majority of deliveries in Georgia are taking place at maternity facilities. Ninety nine percent of births are attended by health professionals and less than 2% of births are delivered at home. The proportion of births attended by skilled medical personnel achieved its highest point of 99.8% in 2012.

According to GERHS data, 1.2% of women delivered at home (this indicator is higher among Azeri women, reaching 5%), and most of them did not get qualified medical assistance. However there has been a decline in home deliveries from 8% in 1999 and 2005 to 1.2% in the 2010 survey.

Unlike antenatal care, postnatal care services are not part of state funded programme benefits, despite the national antenatal care protocol requirement of a postnatal care consultation within 3 days after discharge from a maternity care facility. According to the GERHS, only 23% of women are receiving postnatal care and only 31% of women who received postnatal care, made a post-partum visit within one week after birth, as recommended by WHO, and more women with postpartum complications are likely to receive postnatal care services.

According to the GERHS, among all women aged 15–44, only 32% report current use of any contraceptive method, 21% of whom are using modern methods (condoms, IUDs, oral contraceptives, tubal ligation, and spermicides). The use of all methods among married women has increased from 40% (1999) to 53% (2010), with an increase in use of modern contraceptive methods from 20% (1999) to 35% (2010) (Figure 27). The use of modern methods for the first time exceeded the prevalence of traditional methods in 2010. Condom use (14%) is the most common contraceptive method, followed by IUDs (13%), withdrawal (11%), rhythm method (7%), oral contraceptives (4%) and other modern methods (2%). This indicates that traditional methods such as withdrawal and rhythm methods constitute 18% of all methods of contraception (53%) that continue to have an impact on unplanned pregnancies.

The study on gaps published by UNFPA (2013 b) revealed substantial weaknesses in the government capacity to provide supportive environment for effective family planning services along with a lack of infrastructure and human resources on the supply side to provide these services. Provision of family planning (FP) services is highly concentrated in obstetrics and gynecology specialty who are traditionally not focused on promotion of modern contraceptive methods. The study showed their preference of methods requiring medical interventions such as IUD (Tsertsvadze and Bokhua, 2010).

Figure 26: Proportion of births attended by skilled medical personnel (%), Georgia
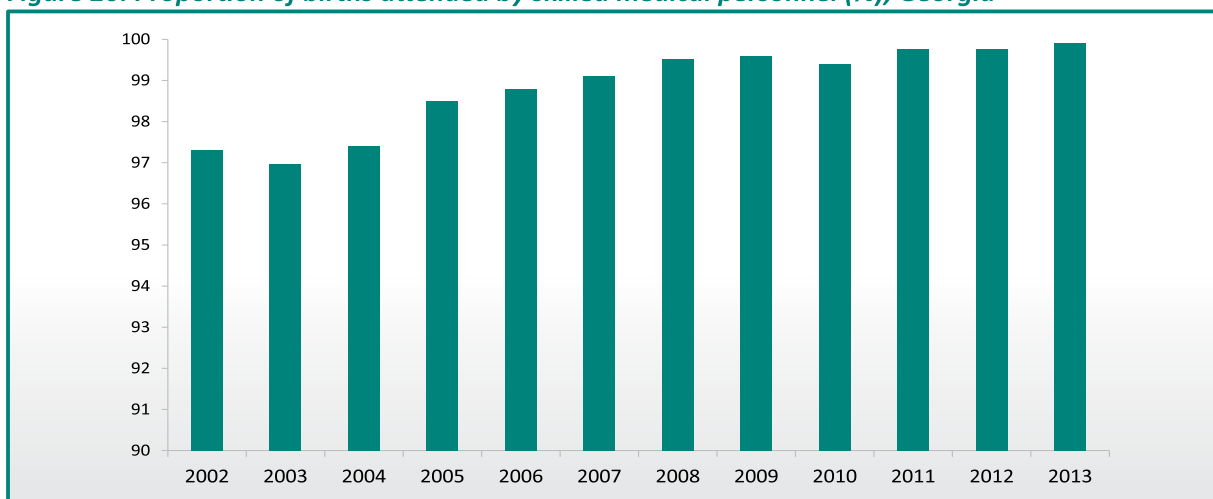
Source: NCDC

b. Family planning/birth spacing services

The use of modern family planning methods continues to be low in Georgia, despite the improvement observed in the 2010 GERHS. Data on contraceptive use and preferred methods of contraception is only available through surveys.

The role of primary health care in the delivery of FP services is very limited and the service is provided to the population on a limited scale. There are also problems on the demand side that is related to low population awareness, knowledge and use of contraceptive methods, that has been only improving slowly according to GERHS data. A lack

of knowledge and cost of contraceptives are the main reasons for not using a method. There are no state funds budgeted for family planning counselling or service delivery. Neither these services are included in the benefit package of state or private insurance mechanisms. Contraceptives are also not included in the Georgia's essential drug list.

in unplanned pregnancies, as well as STIs.

One of the key challenges of family planning delivery system is its very strong dependence on specialized services, namely women's consultation clinics. Family planning services in Georgia in most cases are provided by licensed reproductologists (reproductive health specialists) or Ob/Gyn physi-

Figure 27: Trends in the current use of modern contraceptive methods in Georgia compared to the Central and Eastern European and world averages
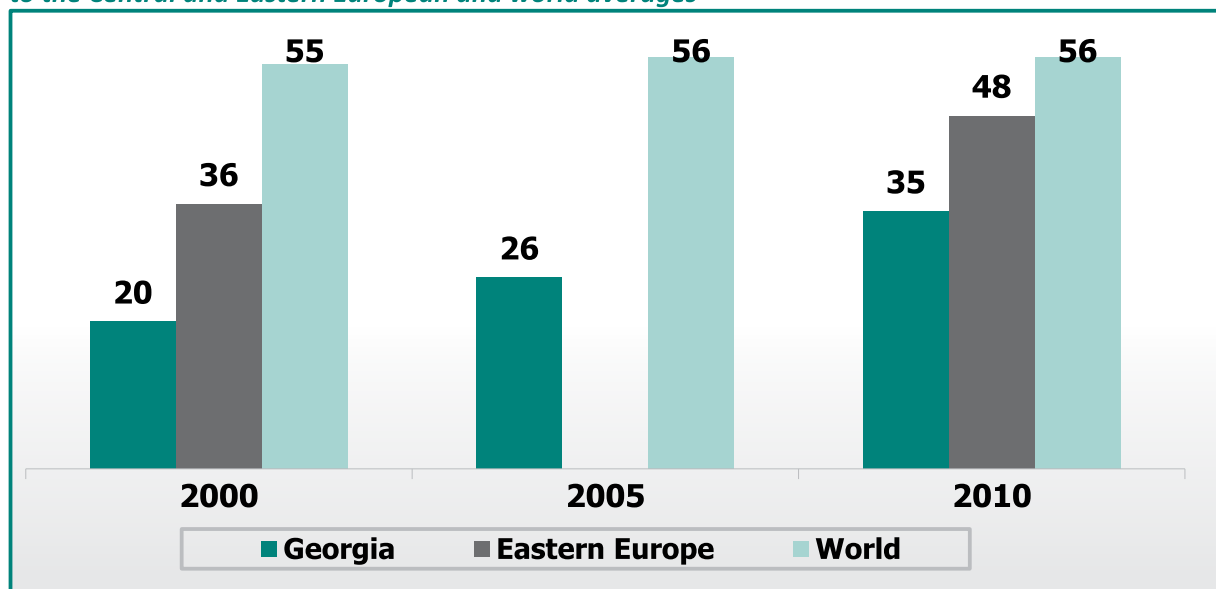
Source: GERHS

Analysing preferences for a different method, the IUD has been reported as the most preferred method - 97% of women using the method are satisfied and 47% of women willing to change their current method, preferring IUDs, compared to only around 14% for the condom or pill. This is considered to be reflecting the history of the former Soviet Union, in which the health system favoured the IUD over alternative methods such as pills (Ross, 2012). The high use of IUDs compared to other modern contraceptive methods could be also associated with the supplier induced preferences since an IUD procedure requires Ob/Gyn services in a specialized clinical setting. According to the Awareness and Attitude towards Family Planning study (2010) more than half of doctors believe that abortions and IUDs are profitable for the doctor and health facility (Tsertsvadze and Bokhua, 2010).

Contraceptives available in private markets, in particular oral pills and condoms, are sold at a high price thus are not affordable for many women in need for contraceptive methods, in particular in rural areas. Moreover, with the anticipated discontinuation of free supply of contraceptives by donor programs, the access will be further reduced to FP methods thus creating a potential risk of increase

cians. Despite the primary health care reform and introduction of family medicine, family planning services continue to be monopolized by Ob/Gyn specialists. Health education and contraceptive counselling services are not part of routine primary care. While post-abortion family planning counselling is highly recommended to increase family planning awareness and practice among women, according to GERHS only one third of women receive contraceptive counselling, with only 14% receiving counselling for specific methods.

c. Prevention of abortion and management of complications resulting from unsafe abortion

Georgian legislation requires that abortion should be performed within the first 12 weeks of gestation and at a licensed medical facility, by a specialized health care professional. Abortions beyond 12 weeks of gestational age are allowed only under special medical conditions or selected social grounds. A woman must receive counseling before abortion is performed and a 5-day waiting time is required.

According to the GERHS, the majority of induced abortions are performed at specialized facilities - either gynecological wards of hospitals or am-

52

bulatory care clinics, and only 2% occur outside medical facilities. This is considered illegal and therefore there are no further data available and most likely the unsafe abortion rates are underestimated. Seventy one percent of all abortions reported by GERHS respondents were mini-abortions indicating increased share of mini-abortions compared to 1999 (40%) and 2005 (56%) surveys. The same trend has been observed in the 2013 study among doctors reporting mini-abortions as the most commonly used method for terminating pregnancy[39]. In 2013, according to the official statistics, the frequency of medication induced abortions use has been increased and reached 21% of the total induced abortions.

Even legally induced abortions are associated with certain risks of complications. Abortions performed at 7-9 weeks of gestation abortions performed with vacuum aspiration have significantly fewer complications. The risks of complications and associated morbidity and mortality increase if, due to delays in access to abortion services, women seek illegal abortions outside of a medical facility. The GERHS 2010 self-reported data indicated that 10% of all abortions were followed by immediate or late complications. There is a negative trend observed, with increased incidence of complications compared to 2005. The reported complications included some serious events such as severe bleeding (34%) and perforation (1.7%), indicating a need for improvement of services for management of abortion-related complications.

d. Early diagnosis and treatment for breast and cervical cancer

The cancer incidence and mortality figures are substantially lower in Georgia compared to the countries of the European region due to the collapse of surveillance and reporting system. With the decentralization of cancer diagnostic and treatment services that are no longer based at cancer dispensaries the data are often under-reported by medical providers. The National Centre of Disease Control and Public Health has initiated a population based cancer registry. In 2014, the registry passed a pilot stage and since January 2015 a full scale implementation process had started.

Therefore current morbidity and mortality statistics are substantially underestimated. Breast cancer continues to be a major killer of women of reproductive age in Georgia according to the national cancer statistics data, constituting 37.1% of all cancer cases among women. The incidence of

39 Attitudes of Doctors Towards Family Planning Issues, UNFPA, 2013.

breast cancer is slightly increasing although this could be associated with the improved reporting. Cervical cancer incidence has shown decreasing trend since 2001. One of the biggest problems of cancer interventions in Georgia continues to be the late diagnosis. Over 39% of breast cancer cases and 47% of cervical cancer in 2013, were diagnosed at later (3rd and 4th) stages of the disease. Thus 15-20% of women with breast cancer and 22-30% with cervical cancer die within the first year of the diagnosis, although the downwards trend has been observed and considerably lower figures of the first year deaths were reported in 2012 (10.8% and 16.4% for breast and cervical cancer respectively).

The Government of Georgia has initiated the first breast and cervical cancer screening programme in 2006 in Tbilisi with the support from UNFPA and since 2011 expanded the model to the whole country under the state cancer screening programme. The programme offers free breast cancer mammography screening and subsequent biopsy to women from 40-70 years and cervical cancer screening with Pap test and subsequent colposcopy to women from 25-60 years. Despite its high value of the first preventive screening programme in Georgia, the programme has substantial deficiencies, including the following: the programme covers only a very small percentage of the target population – 6,8% and 9,1% for breast and cervical cancer respectively; the geographical access to screening programmes is limited and concentrated in major cities/towns, with low intake of women from regions and rural areas; the programme does not operate on the invitational basis with almost no involvement of the primary health care, thus another limitation is a self-enrollment of women which is low due to generally low awareness of preventive check-up among women. Since cancer screening programmes are very expensive, it is difficult to predict substantial expansion and increase in coverage of these interventions in the near future, which is however critical to ensure substantial improvement in early detection of breast and cervical cancer to improve cancer survival.

The uptake of cancer screening programmes is dependent on women's knowledge and practice of preventive medical examinations. According to GERHS, routine gynecological visits remain infrequent, with only 24% of women with sexual experience practicing this preventive service. Only 10% of women of age 40-44 ever had mammography, 32% of women in the same age group never heard of the mammography and 33% have not received

recommendation from their doctor to have one, thus showing a significant gap in health education in women's health services. However some improvement has been observed with the increase in prevalence of cervical cancer screening to 12% compared to 4% in 1999 and 2005 studies. In addition HPV vaccination was introduced in 2009 in Tbilisi as a pilot municipal programme for adolescent girls, although the coverage of vaccination is low with no expansion of the scope or geography being envisioned. There is also little awareness of the HPV vaccine among women of reproductive age in Georgia (GERHS) - only 21% had ever heard of HPV and 18% had heard of the vaccine.

Finally, analyzing cancer treatment services in Georgia, the access to treatment has been substantially improved by the introduction of the Universal Healthcare programme covering breast and cervical cancer treatment at a full scale and providing access to the available treatment in Georgia. This is a significant improvement, as the access was limited in the past to only private and state insurance programme beneficiaries and the state oncology treatment programme only paid for patients over 60 years. This improved access to diagnostic and treatment services will potentially improve early detection, although complex problems remain, including the access to routine preventive gynecological exams, low awareness of women in cancer screening and prevention issues and low coverage of cancer screening interventions.

e. Promotion, education and support for exclusive breast feeding

Breastfeeding prevalence is increasing according to GERHS with 87% of mothers providing at least some breastfeeding. According to NCDCPH 2012, maternity houses report initiating breastfeeding within the first hour, as recommended by WHO,

for 70,7% of live-born babies, however the survey data only show 20%, which is still a substantial increase compared to 5% in 1999.

The percentage starting breastfeeding within the first 24 hours has also increased from 33% to 75%. The delay in initiating breastfeeding could be attributed to high cesarean section rates as only 60% of cesarean infants receive breast milk within 24 hours (GERHS2010). According to the same survey data the duration of exclusive breastfeeding is only 3 months (2 times higher compared to 1.5 months in 1999), while some level of breastfeeding continues for an average of 12 months. It is evident that there is little emphasis made breastfeeding education during the antenatal care and there is also very little promotion and support at the maternity houses complicated with the high cesarean rates and related delays in initiating breastfeeding. In addition, no support services are available for working mothers to continue exclusive breastfeeding for a longer period.

f. Prevention and appropriate treatment of sub-fertility and infertility

The data on infertility are quite limited in Georgia with no data on the use of infertility treatment services available to assess a demand for infertility and subfertility treatment. There is no evidence of increased infertility, although often anecdotal evidence is sited of more women receiving infertility treatment services. It is not clear if the demand for these services is related to an actual infertility problem or cultural pressure in the Georgian society to conceive soon after marriage.

While not properly reported, infertility problems could be associated with still high abortion rates and related pelvic infections. According to GERHS, 10% of sexually experienced women or their part-

Figure 28: Number of infants' breastfed at maternity hospitals and at age 3 months

Source: NCDC, 2013

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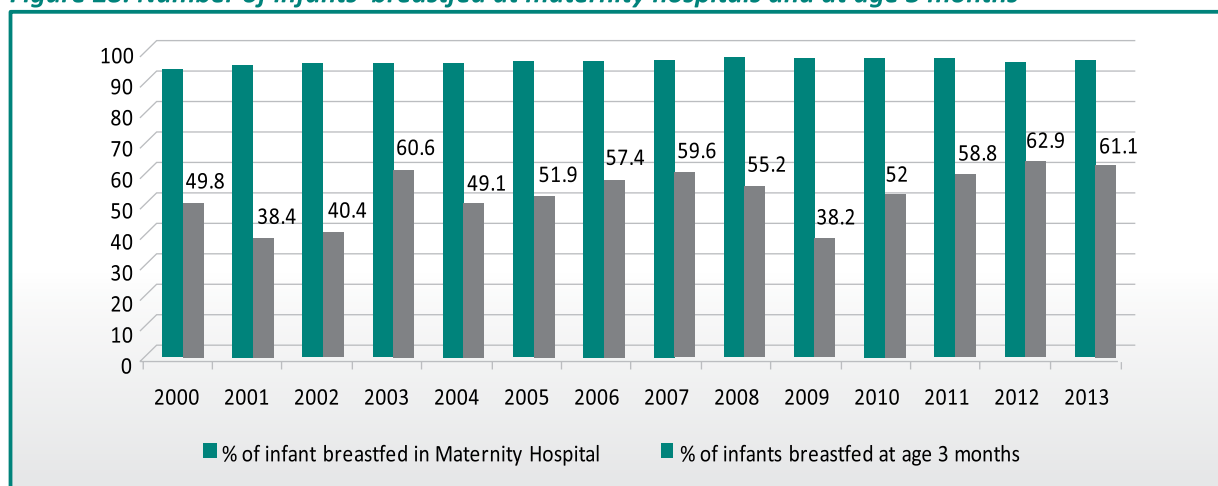
ners had at some time received any infertility services. The proportion is higher in Tbilisi obviously due to better access to diagnostic services, at the same time more women from rural areas report current infecundity problems. The fertility impairment directly correlates with age with only 1.5% among 20-24 age group and 13% among 40 years and older. It is important though that high proportion of nulliparous women reported current or ever-impaired fecundity and the proportion of women with ever-impaired fecundity was three times higher among women who had episodes of pelvic inflammatory disease. It is interesting to note that one of the reasons for not using a method among oldest group (35-44) 37% is female infecundity. Thus the figures show the problem of infecundity among women aged 35-44 who already experienced pregnancies and abortions.

2. Emergency Obstetric Care

Despite the improved hospital infrastructure and geographical access to obstetric services, substantial problems remain with emergency obstetric care and overall perinatal care services in Georgia.

There are a total of 96 obstetric/perinatal care facilities registered in Georgia in 2014 according to NCDCPH official statistics data. Ninety percent of these facilities are private and most commonly are part of private hospital networks. Only 10% of maternity facilities are in public ownership. In terms of geographic distribution - 17% of these obstetric care facilities are located in Tbilisi and 15% in Imereti region (the largest region of the country). The geographical distribution is provided in the table 8 below.

Seventy three percent of obstetric care units are located at multi-profile hospitals, and 27% are stand-alone maternity houses. There are substantial differences in the annual number of births among the facilities ranging from hospitals with over 1000 births per year to small maternity units with less than 100 births annually. More than 50% of obstetric care facilities have less than 500 births per year.

Hospitals with the lowest occupancy rates are located in remote mountainous areas, thus requiring further support to ensure adequate perinatal care services and emergency transportation.

Table 8: Distribution of perinatal care facilities by region. Georgia, 2013

Regions	Facilities	
	#	%
Kvemo Kartli	7	7%
Ajara	10	10%
Guria	3	3%
Imereti	14	15%
Kakheti	12	13%
Mtskheta-Mtianeti	5	5%
Racha-Lechkhumi	4	4%
Samegrelo-Zemo Svaneti	12	13%
Samtskhe-Javakheti	6	6%
Shida Kartli	7	7%
Tbilisi	16	17%

Source: Perinatal Care Facility Assessment, Report, 2013

Table 9: Distribution of perinatal care facilities by number of deliveries per year

Number of deliveries	% of Facilities
0-100	22%
101-30	23%
301-500	8%
501-750	13%
751-1000	6%
1000>	19%

Source: Perinatal Care Facility Assessment, Report, 2013

g. Capacity to provide emergency obstetric care services

The perinatal care assessment was conducted in 2013 (USAID/Sustain, 2013), mostly focusing on infrastructure and availability of supplies in maternity houses. The quality of infrastructure and equipment is adequate and geographical access is ensured. However substantial problems were identified associated with: very low births annually in majority of facilities; a lack of human resources to ensure adequate management of obstetric and neonatal complications; severe problems with the referral system – no national perinatal care referral strategy and inadequate transportation system that creates unnecessary delays in provision of care to sick mothers and newborns.

One of the critical characteristics (golden standard) of the emergency obstetric care facility is the capacity to perform cesarean section within 30 minutes after the decision about the intervention. According to the perinatal care facility assess-

ment, only 73% of facilities have adequate capacity to meet this standard. In addition, availability of blood is another critical component of the emergency obstetric care. While 88% of the obstetric care facilities either have internal blood bank or a contract with the specialized blood bank for supply of blood products, only 16% of them have a stock of blood products in place, and 8% of facilities don't have any arrangement for emergency blood supply.

The most critical shortcomings were observed with the availability of emergency transportation services. The assessment revealed that only 5% of facilities have adequate transportation capacity and 95% of them rely on on-call vehicles, which, in most cases, are not adequately equipped with necessary personnel or specialized equipment.

Despite the improved hospital infrastructure and the geographical access to obstetric services, substantial problems with emergency obstetric care and overall perinatal care services are associated with a very low annual number of births in over 20% of maternity facilities, problems with inadequate supply of medical personnel in these facilities, as well as inadequate skills of personnel is present; inadequate supply of emergency equipment, including inadequate capacity to utilize the equipment resources; severe shortcomings are observed in the availability and organization of referral for emergency obstetric care services, creating serious delays in provision of adequate care to mothers and newborns.

h. Cesarean section, maternal and child deaths in maternity facilities

There are several contributing factors to high maternal mortality, perinatal and neonatal mortality indicators, including adverse social factors, a low quality of antenatal care and a low quality of care at hospital level.

Cesarean section rates in Georgia are among the highest in Europe, with 36.9% of caesarean deliveries compared to WHO recommended 10-15% (NCDCPH). Georgia has the highest number of caesarean sections per 1000 live births among all former soviet states. Both national statistics and the GERHS have shown four-fold increase of caesarean section rates between 1999 and 2010. The distribution of caesarean section deliveries among maternity facilities is also quite diverse, as some report rates as high as 80%, which is proving a striking problem requiring action.

As noted above majority of deliveries are happening at maternity facilities in Georgia. In 2012 41.4% of deliveries in hospitals were classified as pathological deliveries. This is partly attributed to the very high cesarean section rates that are often justified with pathological condition. One of the key indicators for the quality of obstetric care is a share of deliveries complicated by obstetric trauma that despite a downward trend in recent years (from 5.7% to 4%) has gone up again to 5.4% in 2012.

Perinatal mortality, which includes stillbirths and early neonatal mortality, according to WHO is an

Figure 29: Caesarean sections by regions, Georgia (2010-2012)

	Adjara	Tbilsii	Kakheti	Imereti	Samegrelo and Zemo Svaneti	Shida Kartli	Kvemo Kartli	Guria	Samtskhe-Javakheti	Mtskheta-Mtianeti	Racha-Lechkhumi and Kvemo Svaneti
2010	35.2	30.8	29.5	38.9	42.7	26.5	22.8	28.3	7.9	22.9	6.7
2011	39.9	35.0	36.5	39.3	44.3	33.6	26.9	30.2	7.7	24.6	1.3
2012	40.1	36.7	36.7	39.0	50.4	39.0	27.9	30.5	6.4	32.0	3.6

Source: NCDC

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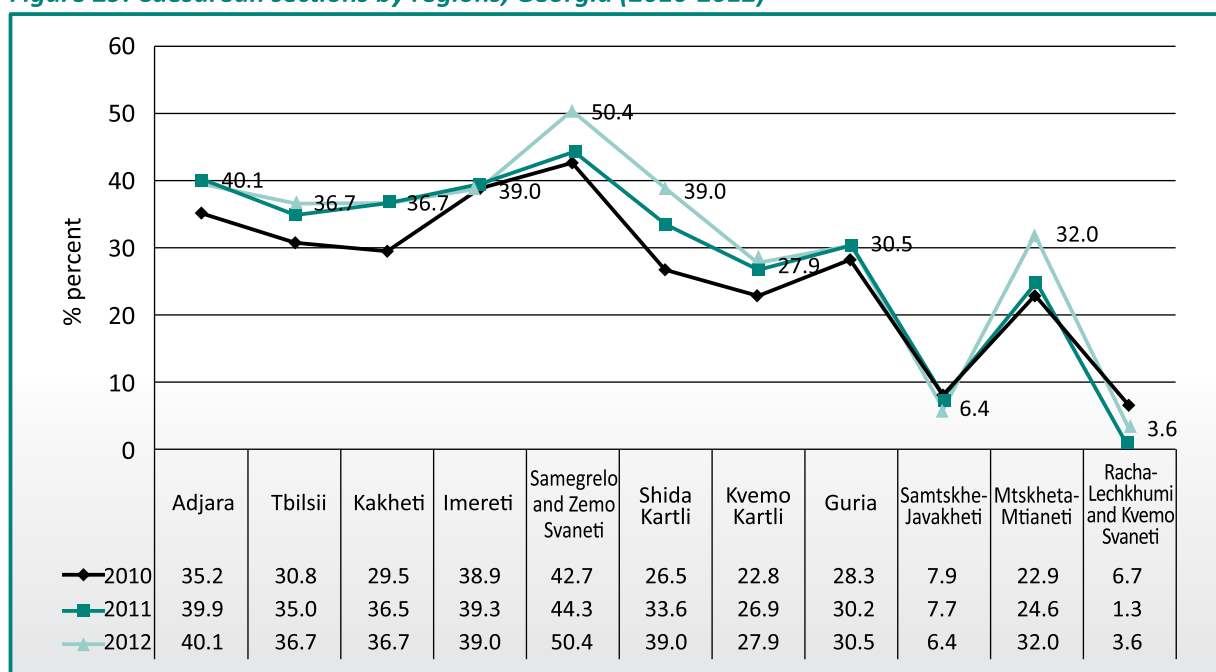
integral indicator for estimating quality of services provided to pregnant women and, there has been a 40% decline observed in perinatal mortality since 2006. However, according to WHO, the estimated ratio of stillbirths to early neonatal deaths for Georgia should not exceed 1.2, whereas in 2010-2012, the ratio significantly exceeded the recommended level. The number of intra-partum deaths has also shown downward trend, although some intra-partum deaths could be attributed to stillbirths.

As analyzed above, direct obstetric deaths contribute to majority of maternal deaths according to analysis conducted by NCDCPH in 2011-2013. However the data from Reproductive Age Mortality Study (RAMOS) in Georgia in 2006 (reported in 2008) indicate that the number of indirect maternal deaths is higher and constitute 50% of total maternal deaths. As noted above, more recent studies – MMS and epidemiologic analysis (2012-2013) data conducted by NCDC, suggest that 80% of maternal deaths are due to direct causes and the most common indirect causes of deaths are due complications of respiratory viral infections.

Analyzing births statistics in Georgia, it is obvious

equipment and transportation capacity, clearly indicated that there are substantial problems associated with the quality of emergency obstetric care in Georgia.

3. Unmet Need

The data for analysis of unmet need for contraception are provided by GERH surveys. Over one third of pregnancies are reported to be unintended (11% mistimed and 26% not wanted at all) in Georgia indicating a substantial gap in family planning services. This figure however has improved since 1999 and 2005 with 59% and 51% of unwanted pregnancies respectively.

One in eight (12%) of married women wish to avoid pregnancy but are not using any method of contraception showing the decrease by half from 24% in 1999. In addition there are 19% of women who are using a traditional method, thus the total unmet need for modern method of contraception is 31% of all married women. The unmet need for modern contraception among all women is 18% showing 33% decline from 27% in 1999.[40]

Figure 30: Share of deliveries complicated by obstetric traumas (%)

Source: NCDCPH 2012 Yearbook

that majority of women with major obstetric complications are treated at emergency obstetric care facilities, although there are no data available on the quality of obstetric care services in these facilities. However the available data and statistics, including a small number of births at many maternity facilities, extensively high cesarean section rates, and problems with inadequate human resources,

The decrease in unmet need is likely to be partially due to the increased contraceptive use, as well as the tendency of more women wanting the next

40 By contrast, the 2009 GGS reported that 46.3% of women in Georgia have an unmet need for contraception. which is an extraordinarily high rate compared with other countries. For example this indicator does not exceed 10% in Russia, 4% in Hungary, 3% in Spain and 2% in France and Belgium (World Contraceptive Use, 2007).

Figure 31: Unmet need for modern contraception by marital status among women aged 15-44; 1999, 2005 and 2010
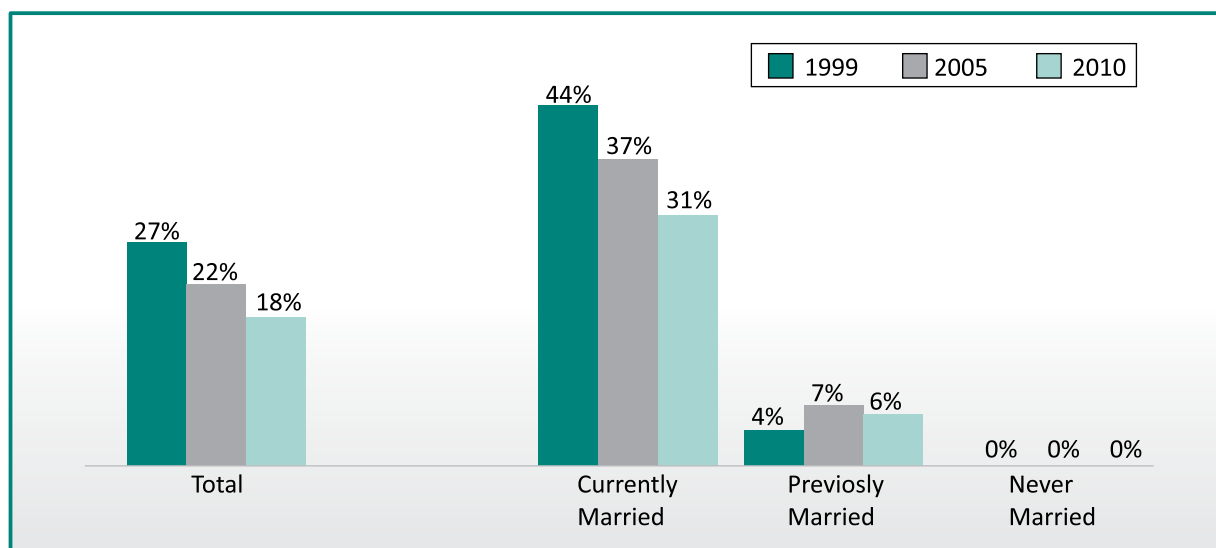
Source: GERHS

child. There is also a difference in unmet need between rural and urban residents, as well as education level with higher unmet need associated with low education and rural areas. It also increases for women in poor quintiles. It is also important that the higher unmet need is for limiting child rather than spacing by 2 to1 ratio (Ross, 2012).

The unmet need for contraception is correlating with the number of children in a family. In younger women with no children it is low (6%) increasing substantially for women with one child (23% and then after two children it stays stable at higher levels (37-40%) with the age of women.

It is important to note that the analysis does not count pregnant or postpartum women in these estimations, while many of them will be also at a risk of unwanted pregnancy, thus further increasing the total unmet need for contraceptive use.

a. Surrogate motherhood

Unlike the legislation of many western European and Central countries, which completely prohibit surrogate motherhood (France, Germany, Spain, Portugal, Italy, Bulgaria) or impose major restrictions (UK, Ireland, Denmark, Belgium), the Georgian legislation is very liberal in this regard. The website of the Centre of Reproductive Health (http://www.surrogacy.ge) provides the following legal information to prospective clients, especially from abroad:

"Since 1997 ovum and sperm donation and surrogacy is legal in Georgia. According to the law a donor or surrogate mother has no parental rights over the child born.

According to the Georgian law, in case of the child born by a surrogate mother the couple and not the surrogate mother will be registered as parents of the child. Even in case an embryo obtained from an egg or spermatozoon which was obtained not from the infertile couple, but from a donor is transferred into the uterus of the surrogate mother, the couple will be deemed as legal parents of the child. The birth certificate will be issued immediately after the child's birth, within 1 day. The couple will be registered as parents in the birth certificate. The surrogate mother will not be registered in the birth certificate. Thus a birth certificate of the child born by a surrogate mother does not differ from the birth certificate of other children. Consent of the surrogate mother is not required for registration of the infertile couple as parents. The following will be required for registration of the couple as parents: Surrogacy Agreement made by the couple, certificate of embryo transfer into the uterus of the surrogate mother issued by the IVF clinic and certificate of the fact of childbirth issued by maternity hospital. The procedure of issuance of the birth certificate is simple and does not require hiring a lawyer. The parents will have a right to take their child to their country any time after the child certificate has been issued.

You can see Laws of Georgia on Surrogacy on the website of the Parliament of Georgia. The laws are in Georgian.

Figure 32: Percentage of married women with unmet need for modern contraceptives
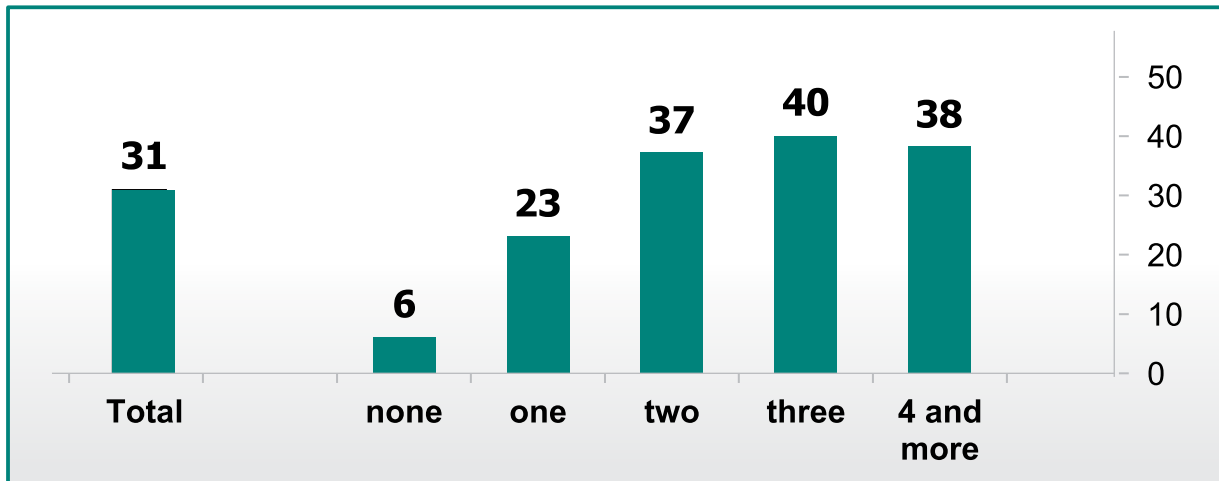
Source: 2010 GERHS

Law of Georgia "On Health Protection" Article 143. Extracorporeal fertilization (IVF) is allowed:

a) For the purpose of treatment of infertility, as well as in case of risk of transmission of genetic disease on a wife's or a husband's part, by using sex cells or an embryo of the couple or a donor, if the couple's written consent has been obtained. b) If a woman has no uterus, for the purpose of transfer and growth of the embryo obtained as a result of fertilization to the uterus of another woman ("surrogate mother"). The couple's written consent is obligatory. The couple is considered to be parents in case of the childbirth with the responsibility and authority ensuing from it. A donor or a "surrogate mother" has no right to be recognized as a parent of the born child.

Article 144.

For the purpose of artificial fertilization it is possible to use female and male sex cells or an embryo conserved by the method of freezing. The time of conservation is determined according to the couple's will by established procedure."

This liberal legislation, combined with the lack of a regulatory framework, has made Georgia one of the countries (together with the USA, Mexico, Russia, Ukraine, India, Thailand, Nepal and others) that prospective parents who cannot or do not want to carry their own children turn to for surrogate mothers. As a result, several private clinics have emerged providing such services to both Georgian and foreign prospective parents. A child born to a surrogate mother can be obtained for around USD 50,000, about half of what a similar

procedure would cost in the USA. This practice is mostly unregulated and at present no reliable statistics exist on the number of procedures carried out in the country and the mechanisms and conditions under which the surrogate mothers are recruited.

At present, there is a growing perception that the existing legislation needs to be updated and that a regulatory framework needs to be established to prevent abuses and guarantee compliance with international human rights principles to which Georgia is co-signatory. In this regard, a distinction needs to be made between traditional surrogacy (in which the mother carries her own baby, with the paternal, but not the maternal genetic material of the future parents, to whom she commits to submit the child after birth) and gestational surrogacy (in which the mother carries an embryo that has none of her genetic material and that was generated through in vitro fertilization of the future parents). The latter is much easier to regulate because it requires relatively sophisticated medical technology, whereas the former can be carried out in a much more informal manner, without necessarily requiring any medical intervention.

UNFPA has provided assistance to the government of Georgia, in order to come up with a regulatory framework of this kind. The bio-ethical issues involved in this process are controversial and as yet there is no agreement on the specifics of the rules and regulations that will result from the process. In any case, any framework of this kind should consider the following issues:[41]

1) Intended parents' infertility: Criteria of infertility should be established to ensure that surrogate motherhood is a last resort

41 These points were extracted from the report prepared for UNFPA by B. M. Dickens, of the University of Toronto, in June of 2014.

in the search for parenthood, not pursued for reasons such as vanity to avoid physical effects of pregnancy or to stay on a career trajectory.

2) Legal marriage: Only women and men in legally recognized marriages will be eligible to become intended parents in surrogate motherhood arrangements. Domestic or international human rights tribunals, perhaps applying principles of non-discrimination on grounds of marital status, sexual orientation or disability, may allow challenges that require widening of this requirement to include others. These grounds are controversial, however, and to encourage wide public acceptance of the regulatory framework, the recommendation to the government is to proceed conservatively.

3) Established residence in Georgia: In order to exclude so-called "reproductive tourism", in which infertile couples or individuals travel outside of their own countries to take advantage of surrogate motherhood services that are unavailable, too costly or illegal in their own countries, a requirement of prior residency in Georgia will be established. The duration of immediate prior residence may be recommended by the government or be determined by the legislature, but should not be less than 12 months. This would outlaw much of the current commercial market for surrogate mothers catering to foreign couples.

4) Age criteria: Women below a certain minimum age should not be eligible as surrogate mothers. Although the age of adult status in law is 18, as indicated for instance in the UN Convention on the Rights of the Child, which Georgia has ratified, this may be considered insufficient for this purpose. An age of 21 years may be preferred, to ensure the young woman's greater maturity and understanding of the possible consequences for her own future health and childbearing. A maximum age for serving as a surrogate may also be proposed, although this may be less necessary.

5) Payment: Surrogate mothers should be reimbursed for the expenses they incur, including wages lost due to absence from employment. The proposed regulatory agency might be required to monitor payment arrangements, to ensure that they are equita-

ble, being sufficient to cover costs and not exploitive of vulnerable surrogate mothers, but not so generous as to amount to an undue inducement to provide surrogacy services. The European Convention on Human Rights and Biomedicine provides in Article 21 that the human body shall not "as such" give rise to financial gain, prohibiting sales of human organs and tissues but not employment in paid bodily labor. The regulatory agency may accordingly view surrogacy as a service or employment arrangement, for instance with periodic payment by the week or month, to ensure pro rata payment in the event of spontaneous or medically justified induced miscarriage. A challenge remains of women entering surrogacy arrangements for payments considerably exceeding any costs they incur, because they are unemployed, unemployable or living in poverty. It is unethical for intended parents to exploit their vulnerability due to their poverty, but equally so for the state to prohibit commercial surrogacy in a way that criminalizes such women for succumbing to the temptation to earn income by this service.

6) The regulatory agency: In addition to the reactive monitoring role the agency might discharge outlined above, the agency might be proactive in drafting a standard form of agreement or a template document to guide prospective participants in surrogate motherhood arrangements in what provisions would be considered necessary and appropriate, for instance to justify children's birth registration according to parties' intentions. Disclosures, written and required to be read to participants of reduced literacy, would include counseling for instance about risks to potential surrogate mothers of pregnancy and natural or surgical (Cesarean) childbirth, and implications of surrendering a child at birth, particularly one's own genetic child in traditional surrogacy. Disclosures to potential parents would include chances of spontaneous or medically justified induced miscarriage and the emotional and financial burdens on them of such misfortune, and of receiving and being responsible for a severely disabled child due to its genetic inheritance, or to congenital causes such as result, for instance, in spina bifida. Both potential surrogates and intended parents would accordingly be counseled to ensure

an appropriate diet during pregnancy, including for instance foliates, and excluding harmful items such as alcohol.

7) Data gathering: A condition of the grant of a license to provide medically assisted human reproduction services, to clinics and professional practitioners, would be periodic submission of relevant data to the regulatory agency or its governmental alternative agency. Data might be confined to surrogacy arrangements, or extend to a wider range of medically assisted reproduction procedures. The purpose would be to inform government of the state of known practice of surrogate motherhood in particular, and perhaps of medically assisted reproduction in general. The government would possess information of the relevant services it funds, of course, but may not know the volume or nature of services delivered in the private sector.

1. Overall Mortality

As was previously shown in Figure 20 of Chapter III.1, there is disagreement about the correctness of mortality as well as fertility statistics in Georgia. In particular, Tsuladze (UNFPA, 2003 a) applies a major correction to the mortality data from the vital statistics system for the period from 2004 to 2011. The resulting life expectancies for the period from 1990 until 2012 show a nearly flat pattern, around an average of 67 years for men and 75 years for women (see Figure 33 below). GeoStat, which takes the civil registration data as essentially correct, ends up with an increasing trend, in which male life expectancy in 2012 in just over 70 years and female life expectancy about 79 years. The data series from the UN Population Division, in its 2012 Revision, essentially follows the GeoStat pattern, with some smoothing.

The uncertainties about general mortality levels and trends also affect the estimates of differences between male and female mortality to some extent. The UN Population Division projects a difference between male and female life expectancies of 7.2 years for 2012. The official GeoStat figure is slightly higher (8.8 years) and Tsuladze claims a difference of 9.6 years between male and female life expectancies. Whatever the case may be, it seems clear that mortality differences between the sexes in Georgia are relatively high compared to typical Western European patterns, but not as high as in some of the other former Soviet republics like the Russian Federation (12.6 years), Lithuania (12.1 years), Ukraine (11.5 years), or Kazakhstan (11.4 years). In that regard, mortality in Georgia is similar to that in Armenia, Azerbaijan or Turkey.

One of the main problems with respect to death statistics in Georgia at present is that the quality of cause-of-death determination is so bad that it cannot be effectively used for any kind of planning purposes. In 2010, more than half of the deaths were coded with undetermined or ill-defined causes of death. The percentage has since come down a bit, but it is still far too high. In addition, there are indications that even in those cases where a specific cause of death is specified, the quality of that information is dubious. This is one of the most urgent statistical challenges that the country has to address.

Changes in Overall, Infant, Child and Maternal Mortality

Figure 33: Trend of male and female life expectancies 1990-2012 in Georgia according to GeoStat, Tsuladze and the UN Population Division
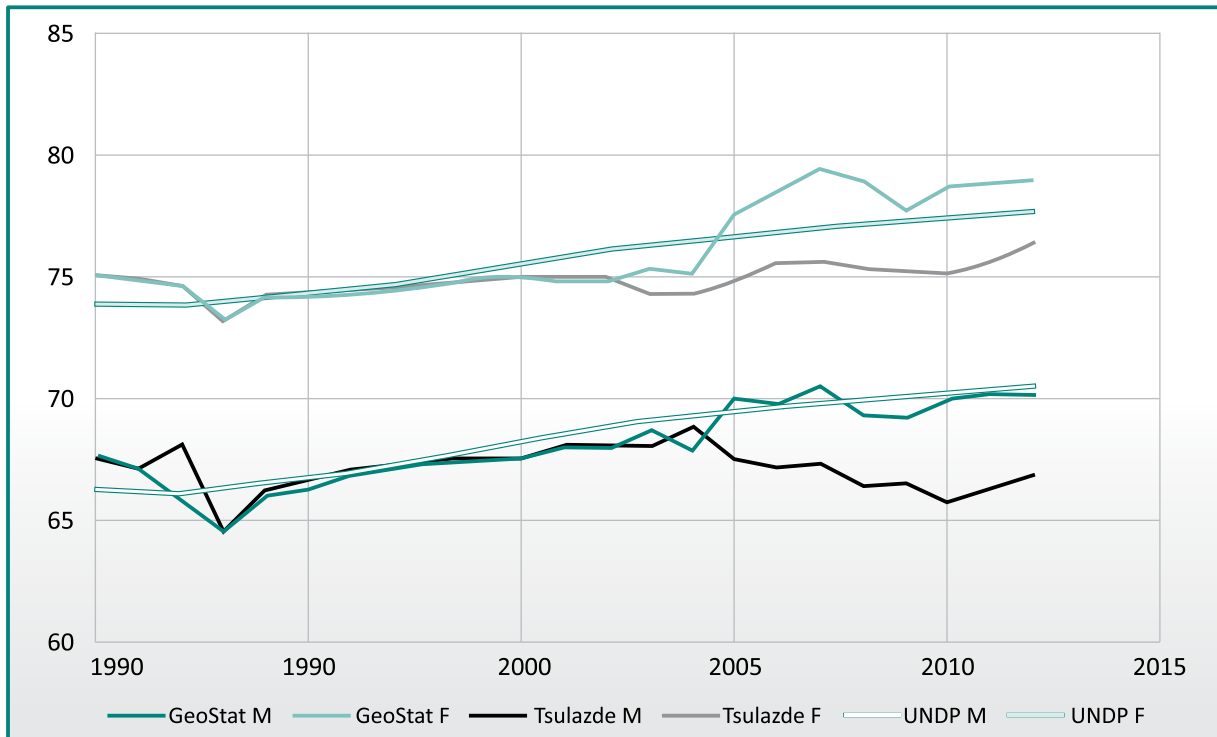
Sources: UNFPA (2013 a), UNPD (2013)

2. Infant and Child Mortality

Over the past decade substantial progress has been made in reducing under-five mortality from 45.8, according to the GERHS, in 2000 to 16.4 in 2010. There has also been a substantial decrease in the infant mortality rate, from 41.6 to 14.1.[42] There is a significant discrepancy in child mortality rates registered through national statistics and survey data, particularly in the case of the 1999 GERHS. The latter found an infant mortality rate of 41.6 per 1,000 and an under-five mortality rate of 45.3 per 1,000, compared to civil registration data that were just over half of those values. Consequently, the observed decline according to the GERHS was much steeper than what the civil registration data show. However, regardless of the speed of the decline, a substantial decline has been observed from all data sources as well as estimations, and Millennium Development Goal achieved.

According to the latest estimates of the UN Inter-Agency Group (IGM), the under-5 mortality is steadily declining and, in 2013, these estimates are very close to the official statistics. Under the initiative of the National Center for Disease Control and Public Health, a mission of the UN Inter-agency Group came to Georgia. The mission familiarized with the existing information systems and recalcu-

lated the indicators for Georgia. Estimates for 2013 approached the official statistics.

The biggest share (87.9%) in under-5 child mortality is attributed to neonatal deaths, which are double compared to WHO global average of 40%, suggesting a problem with poor antenatal and perinatal care. The infant mortality rate continues to be high compared to EU and CIS average, while showing a decrease rate of 36.5% compared to 28% CIS average. Neonatal conditions, such as prematurity and asphyxia contribute to 76.8% of infant deaths, and still birth rate is 11.2 per 1000 live births compared to 9.3 in Former Soviet Union countries and 5.3 in EU member states, indicating the urgent need to improve antenatal and perinatal care.[43]

The 1999 GERHS indicated a significant difference between the infant and child mortality of Georgians and of other ethnic groups in the country, the latter being higher. Later GERHS in 2005, however, have not confirmed that finding. There are some regional differences, with the lowest infant mortality being reported in Racha Svaneti, Tbilisi and Imereti, while the highest rates were reported in Samegrelo and Mtskheta-Mtianeti. Kakheti and Shida Kartli also had relatively high under-five mortality.

42 Source – Georgia Reproductive Health Surveys 1999 and 2010.

43 NCDC Statistical Yearbook 2012 – Section under-5 mortality rate, Page 2-6: http://www.ncdc.ge/AttachedFiles/ENG688.pdf

Figure 34: Infant mortality rate per 1000 live births, five years average, Georgia
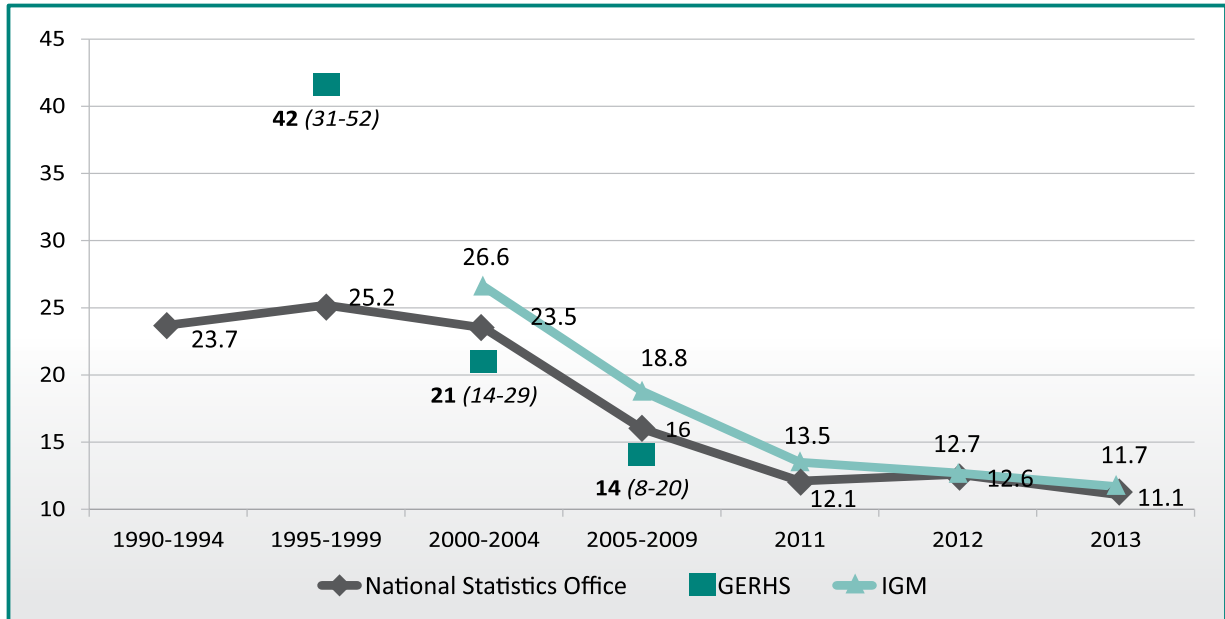
Source: NCDC
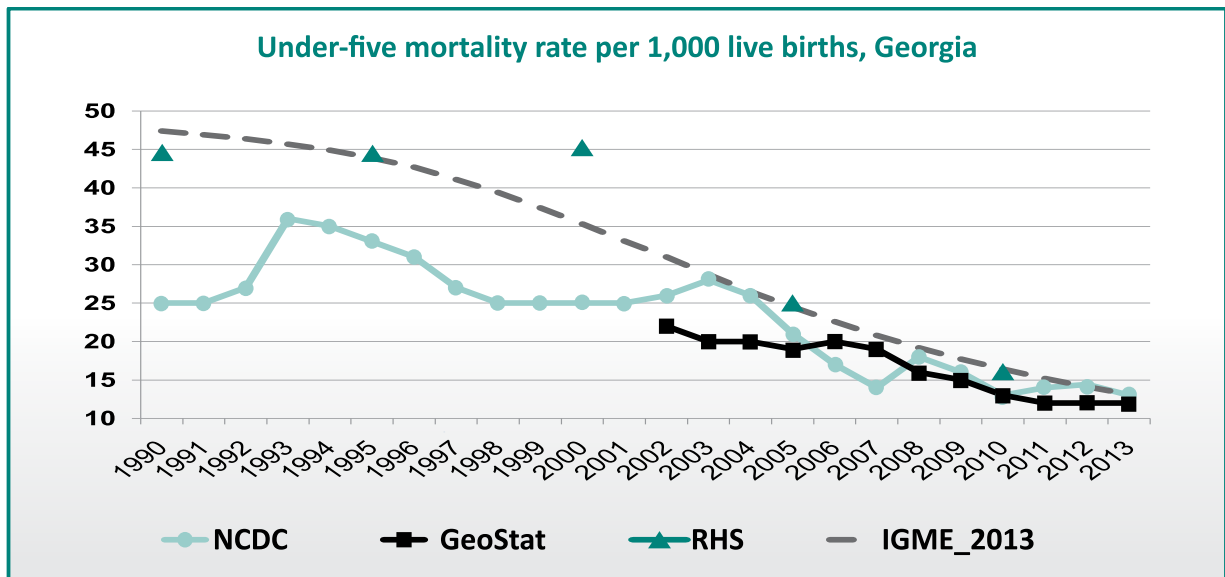
3. Maternal mortality

Despite the progress achieved in reducing maternal deaths, a high maternal mortality continues to be a priority public health problem in Georgia. The Maternal Mortality Rate (MMR) has declined from 58.7 per 100000 live births in 2001 to 27.7 in 2013;[44] however is still much higher than MDG 2015 year goal for Georgia of 16 per 100,000. Moreover, despite the improvement in civil vital registration systems, there are still gaps in causes of death registration and thus, maternal deaths are not adequately reported. To improve the quality of the maternal mortality data, since 2009, the NCDC (routine statistics and urgent notification system) and the GeoStat have been reconciling their data.

Since 2013, based on the Health minister's Order #01-30/N "On the mandatory notification 'of the cases of maternal and child death or stillbirth' formats and rules" the data collected through this way also have been participating in the reconciling process.

In 2012 publication, the MMEIG estimated maternal mortality ratio for Georgia for 1990, as 92; for 2000 - as 113 and for 2012 (the preliminary estimate) as 77. In this regard, the NCDC held series of activities, aimed on the old data revision and quality checking. In 2013, as a result of the collaboration with the MMEIG, the estimate for 2013 was reduced to 41, and, correspondingly, the estimates for the previous years were recalculated; however, even this figure puts Georgia among countries with the highest MMRs in the European region.

....
44   Source: National Centre for Disease Control and Public Health (NCDCPH)

Figure 35: Maternal Mortality Ratio per 100,000 live births, Georgia

Maternal Mortality Ratio per 100,000 livebirth

Official Statistics ◆   MMEIG estimates ■   MDG Goal ▲   RAMOS ⊠
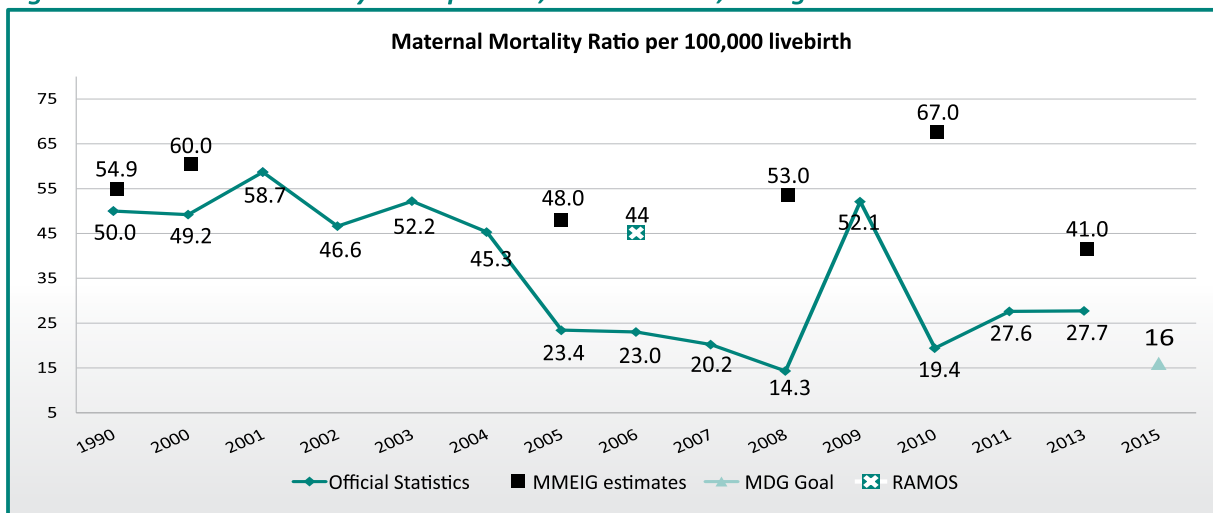
Source: NCDC

The analysis of causes and characteristics of maternal deaths occurred in hospital settings, in 2010 revealed that 92% of all maternal deaths occur in hospitals and 78.6% are due to direct obstetric causes with the most common cause being hemorrhage followed by infection, pregnancy-induced hypertension and pulmonary embolism (NCDC/JSI, 2012). The most common cause of indirect obstetric deaths is due to acute viral respiratory disease. The epidemiologic analysis conducted by the National Centre for Disease Control and Public Health (NCDC/PH) and the Maternal Mortality study conducted in 2012 revealed similar trends with 79% of deaths due to direct obstetric causes with infection being the leading cause of death, followed by hemorrhage[45]. Analysis of socio-economic determinants revealed that 36% of deceased mothers come from very poor families and 18% from poor families, while 45% from families with the average income level (III quintile), thus indicating a correlation between the risk of maternal death and a family's socio-economic status. The study of maternal deaths reveals that in many cases these deaths are preventable if risks are detected timely and appropriate referrals are made.

According to UNICEF (2012 d), a review of 8 basic indicators of nutrition status included in the Health Care Statistical Yearbook (2010-11) and the Georgia National Nutrition Survey (2009), suggests half a million Georgians, mainly women and children, suffer some form of malnutrition – and will not achieve their full potential as students, workers, citizens and parents. They describe the magnitude of the national burden of malnutrition as follows:

- Nearly 300 annual deaths of children under 5 years as a result of maternal anemia, low birth

- Weight, folic acid related birth defects and suboptimal breastfeeding.

- Deficits in cognitive development of children as a result of iron deficiency and stunting indicate

- Future productivity losses valued at a Net Present Value of more than USD 60 million annually.

- Work performance and productivity of adults engaged in manual labor is depressed more than USD 20 million annually as a result of their iron deficiency anemia.

- Low birth weight deliveries, folic acid related birth defects and non-exclusive breastfeeding are associated with excess utilization of and social services valued at nearly USD 15 million annually.

- Over 10 years this national burden of malnutrition is estimated at USD 1.3 billion, including about 3,400 premature deaths of children.

Finally, it should be emphasized, that there are no sufficient data for adequate equity analysis of mother and child health in Georgia, and current death reporting system (most deaths, particularly neonatal deaths, are reported in cities where they occur even for residents of rural areas) leads to the underestimation of rural/urban disparities (UNICEF, 2013).

45 2012 RAMOS study findings expected to be published in 2015, will provide the most updated and reliable analysis of the maternal deaths causes.

3. Situation and Trends with Respect to Reproductive Tract Infections, HIV/AIDS and Sexually Transmitted Infections (STIs)

Many former Soviet countries had experienced epidemics of sexually transmitted infections in the past 20 years. In particular, there was a considerable increase in syphilis incidence rates and Georgia had the highest syphilis incidence among Caucasus countries. There were several waves of a rapid increase in syphilis and gonorrhea rates according to WHO in Georgia. There were several waves of a rapid increase in syphilis and gonorrhea rates according to WHO in Georgia.

Current data on incidence of sexually transmitted infections other than HIV/AIDS are limited due to inadequate reporting and surveillance systems. Although the recent statistical data reveal some alarming problems such as the increased prevalence of syphilis among pregnant women and subsequently the increase of incidence of congenital syphilis. As noted above the GoG provides free testing for syphilis and HIV/AIDS for pregnant women and the coverage of syphilis screening has been over 85%.

Some data on STI awareness, self-perceived risk, prevalence of testing and treatment was provided by GERHS. The STI awareness was reported quite high with 88% of women aware of at least one STI with the highest awareness for yeast infection (85%) and syphilis (62%). The awareness of other STIs including chlamydia and gonorrhea

was quite low (around 40%). The GERHS data on STI testing indicate that 29% of women were tested for at least one STI infection and about 20% reported having symptoms and more than half of the symptomatic women underwent treatment. It is noteworthy that STI symptoms were more common among women in rural areas than urban. Another finding was related to lack of awareness and underestimation of risk of acquiring STIs. Overall there is a significant gap in health education related to STIs with no channels for health communication established.

Unlike STI surveillance, national statistics and surveillance data on HIV/AIDS are quite comprehensive allowing thorough analysis of HIV/AIDS trends in the country. Georgia is among the countries with low HIV/AIDS prevalence rates, although the incidence rate continues to grow. In 2013 the HIV/AIDS incidence in Georgia was 11.7 per 100,000, which is almost three times lower compared to CIS average, but more than twice higher than in EU countries (Figure 37).

Injecting drug use (43%) and heterosexual contacts (44.3%) are the most common modes of transmission and there is a shift towards sexual transmission compared to earlier years when the epidemic was mostly due to injecting drug use. Another trend has been observed with increased incidence among men who have sex with men with growing epidemic in this high risk group. The incidence is much higher among men compared to women with 73% of new cases registered among males in 2012. One of the problems of HIV/AIDS control in the country is the late diagnoses with a substantial number of new HIV cases detected only at the advanced stage of the disease (≈ 43% in 2013).

The government is implementing a state HIV/AIDS

Figure 37: HIV incidence per 100,000, Georgia, the European region, EU and CIS
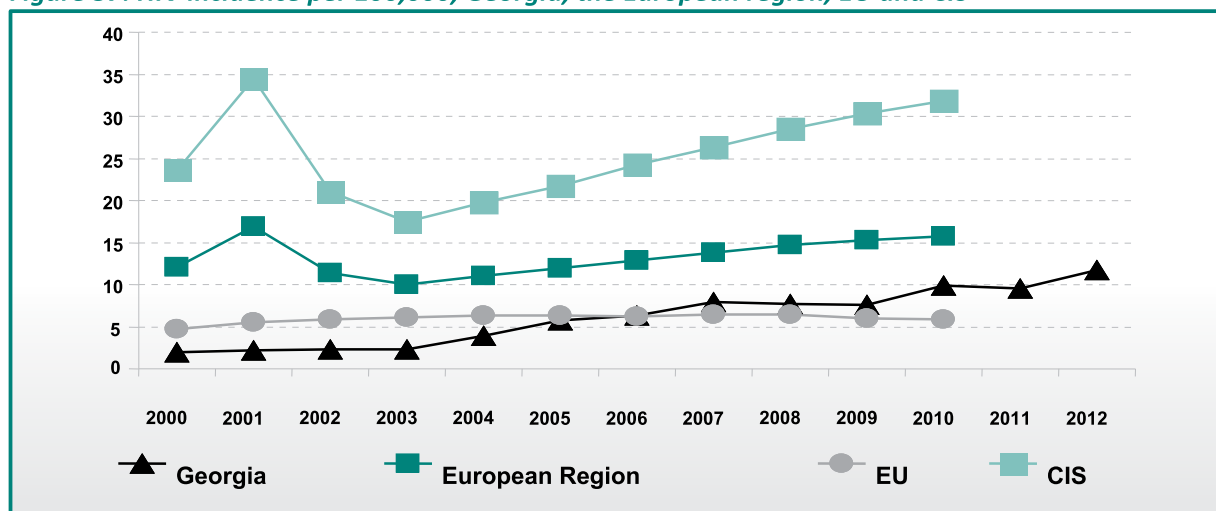
Source: WHO HFADB, NCDC

programme covering comprehensive interventions in prevention and treatment of HIV/AIDS. The national programme receives financial support from the Global Fund providing grants for HIV/AIDS control strategies. These include preventive interventions, namely volunteer counselling and testing of high risk groups (including prisoners) and patients with clinical symptoms, harm reduction programmes, including Medication-Assisted Treatment (MAT) and, a full package of diagnostic, treatment and care services, resulting that all patients diagnosed with HIV are eligible to free ARV treatment. By the end of 2013, 91% of eligible diagnosed people leaving with HIV were enrolled in treatment. According to UNAIDS 2013 Global Report on AIDS Georgia has the highest estimated ART coverage in the Eastern European region. In addition, HIV screening for pregnant women and HIV testing of donor blood is fully covered through government funding.

Despite the progress in providing access to treatment and substantial expansion of HIV prevention services, coverage of key affected populations with preventive services and HIV testing remains low. Expansion of user-friendly and free-of charge services for PWIDs and MSM has shown improvement in coverage of HIV testing however the trends are not favorable for testing among FSWs. There is also increasing demand and the need for expansion of MAT services to ensure better geographic and financial access. One of the biggest challenges is the reliance of most harm reduction and prevention interventions on the Global Fund and other donor finances requiring immediate steps to ensure that preventive services continue after the completion of international funding.

The low fertility found in Georgia after independence has been a cause for concern for some time. The Orthodox Church has made its position on this matter known on a number of occasions, most famously in 2007, when the Patriarch announced his decision to personally baptize all third and higher births in the country, as a way to boost the birth rate. President Mikhail Saakashvili used an annual address to parliament on 11 February 2011 to set a population target of 5 million by 2015, up from the estimated 4.4 million in 2010 (according to the UN Population Division, including Abkhazia and South Ossetia), a million fewer than in the last Soviet-era census, in 1989. The goal of 5 million was unrealistic, as it would have required putting an end to emigration from the country, in addition to raising the TFR to 6.35 children per woman, the level currently experienced by Chad and the third highest in the world. That the President nevertheless made the announcement is illustrative for the fact that the goals set in this area by the government have thus far been mostly aspirational, rather than operational.

1. Financial Incentives for the Child Birth Stimulation

More recently, in March of 2014, the current government issued Decree № 262, which approved the State Programme on Supporting Development of Demographic Conditions, aimed at the improvement of the demographic situation in Georgia by promoting fertility through financial incentives. Specifically, children of third or higher birth orders born as of June 1, 2014, whose biological mother / families according to their places of residence live in the region where the birth rate in the previous 2-3 years has not indicated any average positive index of the natural growth rate (as determined by GeoStat) are eligible for a monthly benefit of 200 GEL in case they are registered and residing in Highlands and 150 GEL for those registered and residing in other areas. The benefit is to be issued from the 1st day of the month after application with corresponding support docs have been submitted until the child is 2 years old.

The appropriateness of this new policy can be assessed in terms of two distinct criteria. One criterion is its appropriateness as a new line of social assistance, to help poor families with chil-

Low Fertility and Population Decline

dren reach a basic level of wellbeing. The other criterion is whether these birth bonuses are likely to affect the decisions of families to have additional children, as seems to be the government's intention. An assessment in terms of the first criterion would have to consider to what extent this new subsidy complements gaps in the existing scheme of TSA. As was mentioned in section II.1, only 31% of the families currently receiving TSA have more than 3 members. The percentage of families with more than 3 members in the population is closer to 50%, indicating that the current system is somewhat biased against larger families. Data for 2011 shows that 47% of the households in the poorest decile with children were not covered by cash benefits under the existing TSA. The fact that only 8.4% of the TSA recipients in 2014 are 0-6 years old, whereas 10.8% of the population belongs to this age group points in the same direction. Most significantly, UNICEF (2012 a b) shows that poverty rates in Georgia in 2011 were 19.9% among households without children, 23.7% among households with one or two children, but 30.1% among households with three or more children. These data support the idea that households with three or more children need to be compensated in some way, in order to reduce their vulnerability compared to smaller families. However, if this is the objective of the policy, it would probably be more effective if – in the revision of the TSA criteria that is currently underway – more weight were given to the needs of families with two or more young children.[46] As it is, the new subsidy will benefit both poor and non-poor families with 3 or more children.

An assessment in terms of the likely demographic consequences of the policy cannot ignore the fact that fertility in Georgia in recent years has made a remarkable recovery compared to what it was in the early 2000s. At present, fertility in Georgia seems to be at or just below the replacement level. While this is insufficient to push the Georgian population to the 5 million mark by 2015 or even by 2020, or even to raise the mean number of children per woman to the completed fertility to the numbers that women declare as desirable in various opinion surveys, it does place Georgia among the European countries with the highest fertility levels, along with France, Sweden or Ireland. As was indicated in section III.2, it is probably too

early to affirm that this is a long-term trend. Even though it has been in effect now for over 5 years, it is still possible that the current fertility boom is limited to a particular cohort that started having children around 2008-2010 and that fertility prospects for Georgia in the longer run are not so favorable. In the short run, however, there seems to be no need for any drastic measures to address extremely low fertility.

Governments in low fertility countries have implemented a range of policy measures to boost birth rates. One of them is the introduction of direct cash benefits of the type now being introduced in Georgia. These can take one of two forms. Some countries have instituted a one-time "baby bonus" that is paid as a lump sum upon the birth of each child, possibly increasing with the birth order of the child. The other scheme is one where governments pay a fixed amount each month until the child reaches a certain age. Technically, the modality chosen by the Georgian government is of the second type, but the fact that the benefits are only paid up to age 2 means that in practice the effects of the programme are likely to be similar to those of a one-time birth bonus of USD 2,000 (or 2,700, in the case of parents living in Highlands), paid in 24 monthly instalments.

This bonus of USD 2,000 should be compared to the bonuses provided by other countries that have opted for this strategy. In Singapore, for example, the government currently provides USD 4,900 for each first and second birth, and USD 6,500 for third and fourth births. In 1988, in response to its very low levels of fertility, the Canadian Province of Québec adopted the Allowance for Newborn Children that paid up to USD 8,000 to a family after the birth of a child. From 2005 to 2011, the government of Spain provided a bonus ('baby check') of €2500 for each birth, but in 2011 the programme had to be suspended because of its high cost. In 2009 the government of Armenia introduced a USD 135 bonus for first and second children and a USD 1,150 bonus for third and subsequent children, in addition to a maternal care benefit of USD 50 per month for the first two years of their child's life. The government intends to raise this bonus to USD 2,500 for third births and USD 3,200 for fourth and subsequent births in 2014. Birth bonuses for first and second births are also being considered. Since 2011, first births in Belarus are rewarded with a bonus of about USD 1,000 and all subsequent births with a bonus of USD 1,500. In Lithuania, the government pays a bonus of USD 550 for every child. Turkmenistan provides bonuses

46 UNICEF (2012) actually developed a specific scenario in this regard. It estimated that, if the government introduced a universal child benefit of 30 GEL per month per child for ages 0-16 (together with the pension increase introduced in 2012): 1. Extreme child poverty would fall from 9.4% to 3.9%; 2. Relative child poverty would fall from 25% to 15%; 3. 60% of children were estimated to be lifted from extreme poverty; 4. Pensioner extreme poverty would be reduced from 8.1% to 2%. The same publication also contains several alternative scenarios.

which, depending on the birth order of the child, can reach USD 500. Since 2008, Ukraine has paid USD 1,440 for first births, USD 2,940 for second, and USD 5,880 for third births.

Perhaps the best known scheme of this kind is the Russian "maternity capital" launched after President Putin's address to the nation in 2007. Unlike previous pronatalist policies of the Soviet Union that strived to establish a wide range of welfare measures to help women balance work and family (e.g. child-care facilities, extensive maternity leave etc.), this policy was almost exclusively built around a one-time subsidy of USD 9,000 (with yearly adjustment for inflation) paid to women who gave birth to their second child after 31 December 2006. Several restrictions are applied to maternity capital: it cannot be cashed; it can be claimed only when a child turns three (although following the 2008 financial crisis a quicker way to claim it was introduced for a limited period of time); and it can be used only towards three preset purposes: a child's education, mortgage payments or a woman's retirement fund.

As can be seen from the amounts mentioned above, the Georgian subsidy scheme is more or less in line with what other countries have put into practice: less than what Singapore, Québec, Spain or Ukraine have paid or are still paying, but more than current practices in countries like Lithuania, Belarus or Turkmenistan. Perhaps the distinctive characteristic of the Georgian programme is that it applies only to children of third and higher birth orders.

The alternative strategy with respect to monetary subsidies is one where child support is paid in a sustained fashion, until the child reaches the age when most of the costs associated with childbearing have been paid for. In France, for example, Child subsidies are universal starting with the second child. All families with at least two children under 18 are eligible. In 1999 the allowances for two children were USD 94, for three children USD 214, for four children USD 334, for five children USD 454, for six children USD 574, and for each subsequent child USD 120. The value of French child benefits for a couple with two children was equal to about 9.5% of the average 1992 male wage. France also offers several means-tested benefits for income supplementation, single parents, adoption, parents who reduce their professional activity to stay home with children, special education, schooling of children, and housing. In Spain, since 2002, mothers can receive a subsidy of €100 for their children under the age of three. Low-income families can also receive a subsidy of €291 per year for each child under 18.

Currently, child benefits in Eastern European countries vary for the first child, between €47 per month in Hungary, €26 in Slovenia to €11 in Bulgaria and €10 in Slovakia (IFP, 2008). The average family financial benefits provided by family policies also varies from those provided in Slovenia, €278 per month, to Hungary €222, Czech Republic €172, Slovakia €131, Estonia €125, Latvia €74, Lithuania €72, Poland €54, Romania €50 and Bulgaria €30. Research in Western Europe indicates that some countries which offer higher levels of family benefits have higher birth rates (e.g. France, Luxembourg) than those where the benefits are lower (Spain, Poland and Italy) (IFP, 2008).

In Slovenia, child benefits are currently received by some 70% of children in the relevant age group (those up to the age of 18 years and those up to the age of 26 years who are still in full-time education). In 1999, the income threshold for entitlement to child allowance was lowered from 110 to 99% of the national average gross wage per family member. Different levels of child benefit depending on the birth order of the child (first, second, third and subsequent) were introduced, and the benefit levels were increased considerably (by 38% on average), particularly for children in families with the lowest income and children of higher birth orders. From 2003, child benefits for pre-school children not included in subsidized child-care programmes became 20% higher, and from 2004 they became 10% higher for children in single-parent families, than those for other children (Stropnik, 2013).

In 2009 the Macedonian government started to award monthly child subsidies of about USD 170 per month for a period of 10 years to parents of third or subsequent children. In addition, some municipalities also provide child subsidies. In 2013, as part of the process of revision of the Population and Development Strategy, the Ministry of Labor and Social Policy gathered data from the municipalities about the premiums paid in addition to those paid by the central government for the period 2008–2012.

Within this broader context of monetary incentives to stimulate higher birth rates, the programme currently being implemented in Georgia should be evaluated taking into account the following factors:

1) One-time birth bonuses have generally shown to be one of the least effective policy instruments for increasing fertility rates

(Luci and Thévenon, 2011). Although they can increase fertility rates in the short run, as parents anticipate births that were already planned, in order to take advantage of the subsidy, it has been shown in a number of contexts that their long-term effect on the number of children that people have is typically very small. Subsidies that are maintained over time, until the child is reaches the age of 10, 16 or 18 tend to have a somewhat greater impact, but are also much more expensive. However, the only policies that have been shown to raise fertility significantly in the long run are the family-friendly policies implemented by countries like France and Sweden, which consist of a range of mutually reinforcing measures (financial incentives, flexible working hours, subsidized housing for young families, generous maternity and paternity policies, etc.) that make it easier for families to raise children. In the case of France, for example, it has been estimated that the TFR is 0.2 higher than it would be in the absence of such policies (Luci and Thévenon, 2011). But these policies do not come cheap. France spends about 3% of its GDP on family-friendly policies.

2) The decision to limit benefits in Georgia to third and higher birth orders was probably inspired by the need to keep the policy affordable. The reasoning is that families are likely to have two children anyway, even without specific incentives, but that the third birth is critical. However, in the case of Georgia, this argument is likely to be incorrect. A significant proportion of Georgian families never have a second or even a first child. This is particularly true at the present time, when the number of first order births is decreasing. Third order births, on the other hand, have been increasing, even without any specific incentives. Actually, as was noted in section III.2, the number of officially registered third or higher order births in 2013 was the highest since 1992 and about 13% higher than what it was in 2008-2010 when the upsurge in birth rates was more clearly linked to an incentive for third and higher order births. It is likely, therefore, that a policy centered on third and higher birth orders will end up paying significant amounts in subsidies to families for having third and higher order births that they would have had anyway. At the present

time, the priority should be to stimulate the declining number of first births.

3) To the extent that the relatively modest birth bonuses offered by the government will have any impact whatsoever on individual decisions to have a third or higher order child, it is likely that the families that decide to do so will be predominantly poorer families with few alternative sources of income. The additional public investments needed to raise the human capital represented by these children to the desired levels will be significantly higher than if these children had been born in families with a better living standard.

2. Anti-abortion Policies and Family Planning Programmes

The Georgian legislation contains some important provisions that are in line with international Conventions. Article 136 of the Georgian Law on Health Care states: that "each citizen of Georgia can independently decide on the number and timing of children to have. The state protects human rights in relation to reproduction in accordance with Georgian Legislation." Article 138 regulates the "production, import, and distribution of contraceptives" in accordance with "the legislation of Georgia." Article 139.1 states that "protection of women's health by decreasing the incidence of abortion" is a priority of the state.

In the recent years the abortion topic has become a matter of a serious discussion at the highest political level in Georgia, due to the strong anti-abortion position of the Georgian Orthodox Church. There is also a prevailing opinion among some parts of the society that abortions are one of the main reasons for low fertility in the country (UNFPA Georgia, 2014). According to the law, abortion is currently allowed in Georgia within the first 12 weeks of gestation and may be performed upon request only at licensed medical facilities by a specialized provider. The new legislative changes that came into effect in August 2014 have extended the waiting time for abortion procedures from 3 to 5 days.

Such policy measures seem to be motivated by the Government of Georgia's concern with the country's below-replacement-level birth rate. But ac-

cording to the projection made in Table 6, the TFR may actually be more or less at the replacement level. Another government concern may be related to sex selective abortions, but this phenomenon needs to be studied further in the country.

It's well-known that the only preventable policy measure to avoid unwanted pregnancies is access to family planning information and services. Unfortunately the government in Georgia does not have a national policy/programme on Family Planning. The family planning counseling and services are unavailable at the primary health care system. Contraceptives are not included in the List of Essential Medicines and the government mostly depends on donor funding of contraceptive supplies (Gap Analysis of Family Planning Services in Georgia, UNFPA, 2013). Moreover, for post-abortion counselling on family planning, which is recommended to increase awareness of women and the practice of voluntary family planning, GERHS data reveal that only one third of women receive contraceptive counselling services with only 14% receiving counselling for specific methods.

Changes in the Age Structure, with Special Reference to Ageing

According to GeoStat, the population of Georgia numbered 4.48 million on 1 January 2013, of whom 855.9 thousand (19.1%) were older than 60 and 620.7 thousand (13.8%) older than 65 years. According to the projections in Table 6 of Chapter III.1, these numbers were 4.07 million, 800.5 (19.7%) and 602.6 (14.8%), respectively. The oldest of old, i.e. the population over age 85, according to GeoStat, numbered 67,200 (of whom 18,800 were men and 48,400 women), and according to the projections underlying Table 6 there were 52,600 (of whom 14,200 were men and 38,400 were women). By comparison, in 1990 the total number of elderly population, over age 65, was 497 thousand (of who 37,300 over age 85), out of a total population of 5.42 million, thereby representing 9.2% of the total population. While the exact population numbers may be disputed, it is an undeniable fact that the population of Georgia has aged considerably and that this process will continue to some degree in the coming decades. According to the report *World Population Ageing* (United Nations, 2013 b), Georgia ranks 37th among 201 nations and territories in terms of ageing, above Australia and the USA.

The trajectory of aging in coming decades depends on future fertility and mortality trends (and, to some extent, migration). According to the United Nations Population Division (2012 Revision), Georgia's elderly population (65 years and over) is expected to increase, from 14.7% in 2015 to 22.2% in 2035. Apart from the fact that these projections include Abkhazia and South Ossetia, they assume an increase of current life expectancies to 74.1 years for men and 80.6 years for women by 2035 and a nearly constant TFR between 1.80 and 1.85. Under the hypothetical trajectory estimated in Table 6, with constant demographic parameters, the proportion of the population over age 65 would increase from 14.8% to 17.7% in 2035. That this proportion is so much lower is due mostly to higher mortality (constant life expectancies of 66.9 years for men and 76.4 for women) and fertility (a constant TFR of 2.01). If the UNPD mortality parameters are used instead, the proportion over age 65 in 2035 increases to 19.0%, which is still substantially below the proportion projected by the UNPD. Fertility levels, therefore, do have a significant impact on future population aging.

As was explained in III.4, the difference between male and female life expectancies in Georgia is larger than is typically the case in Western Eu-

rope, although not quite as large as in some other countries of the former Soviet Union. The greater longevity of women as compared to men has the inevitable consequence that at older ages there are vastly more widows than widowers. This presents older women with social as well as economic challenges, including greater risk of falling into poverty. The extent of the differences is presented on the basis of survey results from 2013.

Table 10: Marital status of men and women over age 65 in Georgia, 2013

Marital status	Female 65+	Male 65+	Total 65+
Married	41.2%	81.6%	57.6%
Non registered marriage	0.2%	0.3%	0.2%
Single	4.7%	1.5%	3.4%
Divorced	1.4%	1.3%	1.4%
Widowed	52.5%	15.3%	37.3%
Total	100.0%	100.0%	100.0%

Source: GeoStat – Household Integrated Survey 2013

1. Georgia's Pension System

Since the Georgian pension system is identified as one of the main pillars of support for the elderly, a brief description of its history since the collapse of the Soviet system is presented here. During the Soviet era, the pension system in Georgia was typical of what prevailed throughout the Soviet Union. It was administered by the USSR State Insurance Company, *Gosstrakh*, which had a department in Georgia. Retirement payments were financed through the transfer of funds from state-owned enterprises to Gosstrakh. To be eligible for retirement benefits, workers were required to have participated in the labor force for a minimum of twenty years for women and twenty-five for men. Consisting of a public and a private (voluntary) component, the benefits were relatively generous (Gugushvili, 2009).

The collapse of the Soviet Union resulted in a national macro-economic crisis for Georgia, worsened by several years of civil war. Loss of Georgia's share of *Gosstrakh* funds—approximately USD 550 million – may be considered the final blow which effectively destroyed the social welfare system inherited from the USSR. Following some years of further decline, a first attempt at pension reform was undertaken in 1995 when the existing system of differentiated pensions was replaced with one based on flat payments. This meant that equal pensions were granted to all retirees regardless of their salaries during employment, length of service, or differences in pension type. The reforms of 1995 resulted in formation of several new institutions which administer social benefits, amongst which the State Medical Insurance Company, the United Social Welfare Fund, the United Employment Fund. In 2001 these funds were formally combined into United Social Welfare Fund.

Further adjustments were made in 1996, by rising the age of retirement by five years, cancellation of the early retirement provisions and introduction of a right to old age pension benefits only for those who previously contributed to the system (Gugushvili, 2009). Stress on this system built up steadily over the years 1995-2001, as the tax base which largely supported it remained essentially stagnant in terms of hard currency (Tvalchrelidze, 2003). Changes in Georgia's employment structure further undermined the pension system, with a dramatic fall in the number of employees in the main branches of industry to the extent that the self-employed – who did not pay taxes - started outnumbering those in formal employment. The 2002 census recorded approximately 370,000 persons with livelihoods that may be assumed to generate tax revenues, against some 670,000 in informal employment situations. Meanwhile, economic hardship stimulated emigration of large numbers of Georgians, mostly of working ages, while longevity and falling fertility rates resulted in rising proportions of elderly people, from around 15.0% in 1990 to 18.4% by 2000 (proportions 60+, World Population Prospects, 2012 Revision, UN-DESA). Consequently, as per report on execution of the state budget from the year 2002, the average pension covered less than 14% of the money needed to survive (Tvalchrelidze, 2003).

By 2003 the state budget was in such a poor condition that pension payment arrears were mounting and a real threat of defaulting existed, according to the National Bank of Georgia.

While the mounting financial crisis in Georgia placed fiscal and pension reforms high on the political agenda, it was not until 2005, two years after the Rose Revolution, that new legislation was put in place. However, despite vast improvements in state budget revenues and payments, the new Act on State Pensions did not fundamentally change the basic elements of the pension system, which remained based on the principles of solidarity payments and equal pension benefits.

Subsequent amendments and changes to the Tax Code and the pension system itself served to increase the tax revenues as well as the old-age pension payments – which increased to GEL 150 per month as of September 2013, but did not introduce systemic changes. The current iteration of the Law on State Pension dates from 2012. Despite attempts to move towards mandatory pension insurance as an alternative to the universal flat-rate scheme, the state's priority focused on the development of universal means-tested social assistance program and presented the general tax reduction trend as a component of broader pension reforms.

A review of Georgia's pension system by the Asian Development Bank in 2011 notes: "One option that should be further explored is the development of a two-pillar system in Georgia, plus a private sector alternative." Such option would be comprised of:

- A continuation of the existing system of a poverty reducing state-provided pension – given the fiscal challenge of further increasing pension benefits consideration should be given to providing a support system that is effectively means tested;

- The introduction of a mandatory occupational savings system to provide a pension – based on some combination of employer and employee contributions to a defined contribution system.

- Staggered introduction of the occupational savings system – public sector first, followed by the private sector at a later stage.

It is commonly believed that Georgia's demographic and employment characteristics will make it more difficult to increase pension benefits. Low fertility, high longevity, continued emigration and a shrinking population are seen as threats to sustainability of the present social security system, and most notably that of the old-age pension system. While tax reforms have managed to account and compensate to some degree to the challenges of political and economic crises that have occurred, the pension system itself is long overdue for a reform that takes the demographic and economic realities into account.

As was indicated in Chapter II, the current government is aware of the need to reform the pension system and is planning to make concrete proposals in this regard in the spring of 2015. The aim is to establish a system in which residents of the country will receive a pension based on the funds accumulated by contribution, but beyond this general intention the exact type and shape of the system has not been decided yet. One of the main motivations for this reform is the high cost of the current system which will tend to become even higher as the population ages in years to come. Table 11 indicates the number of potential (men over age 65, and women over age 60) actual beneficiaries of the pension system in recent years, according to data from GeoStat.

Table 11: Potential and actual beneficiaries of the old-age pension system in Georgia

Year	Potential	Actual	Percentage
2005	703.2	549.9	78.2 %
2006	716.2	589.9	82.4
2007	722.1	611.9	84.7
2008	724.9	658.3	88.1
2009	724.4	660.0	91.1
2010	728.2	662.3	91.0
2011	735.6	666.4	90.6
2012	741.3	682.9	92.1
2013	752.0	686.7	91.3

Sources: UNFPA Georgia, 2013 a and GeoStat website http://www.geostat.ge/index.php?action=page&p_id=200&lang=eng

Note that the number of potential beneficiaries in the first column is based on GeoStat's estimated population in Georgia, which is actually subject to considerable doubt. For example, in 2013, Tsuladze (UNFPA, 2013 a) estimates the population in the relevant age groups at 695.3 million, which would imply that 98.8% of the eligible population is receiving pensions, whereas the projection underlying Table 6 yields a total of 713.3 thousand. However, Tsuladze's estimation for 2005 coincides almost exactly with GeoStat's. Both sources lead to the conclusion, therefore, that there has been a considerable increase in the coverage of the old-age pension system in recent years, from less than 80% in 2005 to 92-99% in 2013.

The implications of maintaining the current system are depicted as the blue line in Figure 38. The initial value of 4.85% of GDP is higher than what the government has been spending on old-age pensions so far due to:

1) The official annual figures on expenditures with old-age pensions do not yet fully reflect the latest increase of the pension to 150 GEL per month;

5) As shown in Table 11, coverage of the system is not 100%; and

6) Some potential recipients of the pension are covered by alternative special pensions.

As Figure 38 shows, expenditures under the present system will tend to rise moderately in the next 20 years, from 4.85% in 2015 to 5.60% in 2035, under the assumption that the value of the benefit will accompany the growth of the GDP per capita and that the fertility and mortality rates of the country will remain constant after 2013. Alternatively, if mortality declines and the male and female life expectancies in 2035 become 74.1 and 80.6 years respectively, as projected by the UN Population Division, the blue line increases faster and reaches a value of 6.11% of GDP in 2035.

In an individual capitalization scheme in which only new labour force entrants start saving for their own retirement while older workers continue to have their pensions paid under the old system, the expected savings would take a long time to materialize: a horizon of 25-50 years. An alternative system, that would generate some benefits to the government budget in the shorter run, would be the sliding transition depicted in Figure 38. In this system, all workers, regardless of their age, would start capitalizing for their retirement in 2015. However, since older workers have fewer years left until retirement, the government would continue to pay the old benefit proportionally to the number of years not covered by the new capitalization scheme. Assuming that it takes 25 to complete a full capitalization scheme, the government would

Figure 38: Evolution of the cost of the old-age pension system as a percentage of GDP under the current system and under a hypothetical system of sliding transition towards an individual capitalization scheme, assuming constant demographic parameters (2015-2035)
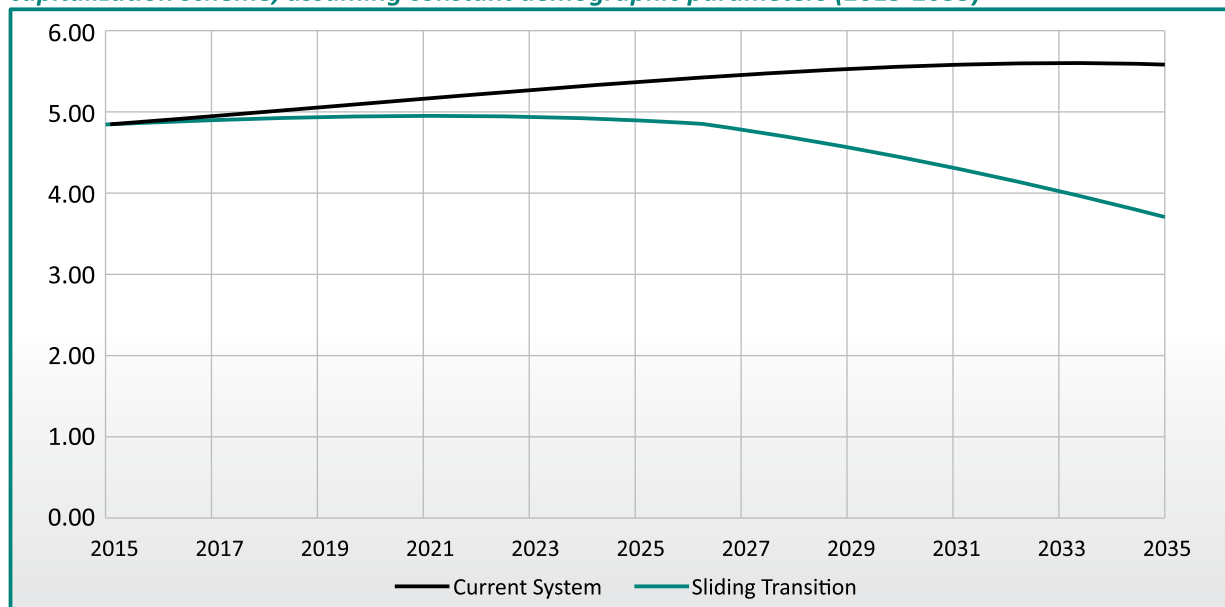
Source: Based on population projections in Table 6

How much the government will save by reforming the system depends on the details of the plan to be presented. One way to reduce the budget cost to zero in the short run would be to institute a transfer-system in which workers start paying into a fund out of which the benefits of the current pensioners are paid, with the understanding that they will be compensated for this transfer later, when they reach the retirement age and their pensions will be funded out of the contributions of workers at that time. This is the classic pay-as-you-go system which has the disadvantage of a high an increasing cost to workers as the labour force shrinks with respect to the number of retirees. The government has given no signs of considering this alternative.

continue to pay, for example, 60% of the pension benefits of a male worker who started capitalizing at age 55, whereas the remaining 40% would be covered by the savings accumulated during the 10 years that separate this worker from the legal retirement age of 65.[47]

The red line in Figure 38 depicts the cost of this hypothetical scheme as a percentage of GDP. Although the savings that it entails to the government budget become apparent earlier than in

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47 Again, it should be emphasized that this is hypothetical. Although no concrete proposals have been released thus far, it seems likely that the government will opt for some kind of hybrid system with a publicly funded or contributory (pay-as-you-go) social assistance pillar, a mandatory individual capitalization pillar and possibly a voluntary savings pillar, as has been common practice in other countries of the region. Although this solution is different from the one depicted in Figure 38, it shares the characteristic of gradually phasing out much, but not all of the funding from general tax revenues.

a scheme limited to new labour force entrants, they nevertheless take time to materialize. Initially the costs would still increase marginally. By 2022 they would slowly start to decrease, returning to their 2015 level by 2027, after which the decrease would gradually become more pronounced. One of the factors contributing to the slowness of the decrease is the high level of economic inactivity and unemployment in the country which requires continued payments on the part of the government. Another reason is the low retirement age of women, who in addition have a much higher life expectancy than men, so that they spend a much longer period (20.8 years, on average) as pensioners than men (13.6 years on average). Under a scenario with 95% occupation of the labour force of both sexes, the budgetary costs in 2035 would fall to 3.54%, instead of 3.72%, of GDP. If the legal retirement age of women were raised to 65, as it is for men, the cost would further decline, to 2.81% of GDP. Alternatively, under the hypothesis of a mortality decline, with male and female life expectancies of 74.1 and 80.6 years, respectively, in 2035, the red line would decline more slowly, reaching 4.13% of GDP in 2035.

2. Older Adults as a Vulnerable Group

a. Economic situation of the elderly

The main source of data on the situation of Georgia's elderly population is the Population and Housing census. Regrettably the latest census was done in 2002 (with a new one planned to take place in November of 2014), which limits the usefulness of its data. Nevertheless, analysis of selected census tabulations does present some insight into the economic situation of the elderly. Review of the data on source of livelihood reveals that in 2002, approximately two-thirds of those aged 65 and over relied on a pension as their main source. About one in five elderly persons worked their own plot of land to provide their main livelihood, and an additional 10% relied on family to support them.[48] As was mentioned in Chapter II.1, over half (55.2%) of all households in Georgia include at least one person of pension age (at least one man aged 65 or more or at least one woman aged 60 or more) (UNICEF, 2012 a).

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48 The data is taken from Census 2002, Volume 3, part 1, Table 1. The 19 response categories used in the census tabulation are collapsed into six aggregates, as follows: wage/salary from work - categories 5-8 and 19; work own plot – retained; investments/savings – retained; pension – retained; other public assistance – cat. 13-16; family assistance – cat. 17-18.

Table 18: Sources of livelihood of men and women over age 65 in Georgia, 2013

Source of livelihood	Males 65+		Females 65+	
	Number	Percent	Number	Percent
Wage/salary from work	23810	7.9%	17659	3.7%
Own farm plot	67265	22.3%	70279	14.9%
Investment/ savings	175	0.1%	194	0.0%
Pension	182238	60.5%	314492	66.7%
Other public assistance	7701	2.6%	15273	3.2%
Family assistance	20257	6.7%	53881	11.4%
Total	301446	100.0%	471778	100.0%

Source: Census 2002, Volume 3-1, Table 1

While the figures from the 2002 census may be seen as merely indicative, of particular note is that the category "investment / savings" received very few responses, suggesting low savings levels. This may be a legacy of the former Soviet system.

Some current data on the economic status of Georgia's population is available from Georgia's Integrated Household Survey, which is being conducted on an annual basis. The latest available iteration is of 2013. According to this survey, among the persons aged 65 years and older, nearly half (42%) are economically active, most of them self-employed and living in the rural areas. The share of self-employment was 84% for 65 years old and above, compared to 46% for self-employed among 25-54 year age group. Many of the older adults in this situation are subsistence farmers, who are counted as self-employed[49] even though this activity does not generate an adequate income, even when combined with the old-age pension. Thus, many older people are stuck in rural areas, working as self-employed in a very unproductive agricultural sector, which creates less than 8% of the GDP, while younger people with better skills leave the rural areas in order to find employment in the cities. Of those who are not economically active, the vast majority are pensioners. Further details are presented below.

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49 According to GeoStat, a person is employed if she/he has performed any job for at least one hour during the last seven days in order to get a salary, profit or other (cash or in-kind) labor compensation inside the country. A "job" means any kind of activity including but not limited to: farming, hunting, fishing or gathering forest fruits, mushrooms, medical plants etc., processing of any agricultural products, corn grinding, wine making, making cheese, butter, canned products and etc. sewing, knitting, making brooms, baskets, etc. Even if a person performed an unpaid job at a farm, household or helped friends/neighbors doing any type of job for free, he/she is considered employed (for more details see GeoStat, Labor Force Statistics http://www.geostat.ge/cms/site_images/_files/english/methodology/labour%20force%20statistics%20Eng.pdf)

Table 19: Economic activity status of men and women over age 65 in Georgia, 2013

Economic activity status	Female 65+	Male 65+	Total 65+
Economically active according to the ILO soft criteria	36.1%	51.8%	42.3%
Economically inactive (disabled)	1.1%	1.6%	1.3%
Economically inactive (pensioner)	61.3%	45.3%	55.0%
Economically inactive (homemaker)	1.0%	0.0%	0.6%
Economically inactive (other)	0.5%	1.3%	0.8%
Total	100.0%	100.0%	100.0%

Source: GeoStat – Household Integrated Survey 2013

Table 20: Status of employment of men and women over age 65 in Georgia, 2013

Status of employment	Female 65+	Male 65+	Total 65+
Working for fixed salary (cash or in-kind) on the basis of a written or oral contract	10.0%	15.8%	12.8%
An entrepreneur, farmer working at his own enterprise (with hired employees)	0.0%	1.4%	0.7%
Working at private enterprise in non-agricultural sector (without hired employees) or professional activity	3.1%	5.5%	4.2%
Agricultural activities on private farm/enterprise or on a rented land (without hired employees)	46.0%	70.3%	57.6%
Unpaid work in a household`s farm/ enterprise or for relative	40.9%	6.8%	24.5%
Other	0.0%	0.3%	0.1%
Total	100.0%	100.0%	100.0%

Source: GeoStat – Household Integrated Survey 2013

Of those who are older than 65 and economically active, the employment status reaffirms the census results from 2002 to some extent: a large majority of older men as well as a major proportion of older women rely on a private farm plot for their livelihood.

The data from the Household Integrated Survey clearly indicate that large proportions of older persons in Georgia tend to remain economically active. Given the existence of a large pension gap – the difference between income before and after retirement – there is little doubt that this economic activity is needed to supplement the old-age pension. According to the census of 2002, 42% of those aged 65 years and older rely on two or more sources of livelihood.

The age distribution of the occupied population was affected by the *Rose Revolution* in 2003, as a result of structural reforms. For example, the State Employment and Social Protection Programme was abolished. The new, extremely liberal Labor Code introduced in 2006[50] led to many people over 40 years old with less relevant job skills being laid off and replaced by younger employees. Some of them became self-employed, but the majority withdrew from the labor force and have not returned, despite the better economic climate in recent years. Some of them are now entering the ages where they are eligible for old-age pensions, after having lost many of their previous assets and savings.

The existence of a universal old-age pension is an important factor with regards to reducing poverty. In 2009, the World Bank estimated that without this benefit (which was 100 GEL then); the poverty headcount would have been 38.1%, instead of the actual value of 25.7% (World Bank, 2012). It was noted, however, that further increases of this pension would have relatively less impact on poverty levels. As was mentioned in Chapter II.1, UNICEF (2012 a) found, in a logistic regression of potential poverty determinants that living in a household consisting only of pensioners was one of the strongest predictors of not being poor, with an odds ratio of 0.2 in urban areas and 0.4 in rural areas. This reinforces the idea that old-age pensions have a significant effect on poverty reduction.

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50 *A number of amendments to the Labor Code of Georgia were approved in 2012. The changes made the current code less liberal and were oriented towards increasing employee rights. Some further changes are under consideration at the moment of writing.*

Table 21: Impact of the old age pension on poverty in urban and rural areas

Poverty Headcount	With GEL 100 pension benefit	Without GEL 100 pension benefit
Urban	17.7	29.5
Rural	28.2	46.9
Total	22.9	38.1

Source: World Bank Staff estimates based on 2009 UNICEF WMS. In: Georgia Public Expenditure Review, 2012

The old-age pension is not indexed, but nevertheless has steadily increased over the years, from monthly 14 GEL in 2003 to 100 GEL in 2011, and 150 GEL in 2013. The latest increase has brought the old-age pension at the level of the subsistence minimum, as calculated by GeoStat. Despite increases in old-age pension, reliance on multiple livelihoods and family assistance, elderly persons in Georgia are having difficulties making ends meet. The results from the GGS may be considered illustrative in this regard.The GGS results indicate that a majority of older persons are having "great difficulty" in making ends meet. The differences between Wave 1 (of 2006) and Wave 2 (of 2009) indicate some improvement, with fewer responses in the category "great difficulty", and an increase in the category "with difficulty", suggesting an upward transfer.

b. Other policy frameworks for older adults (apart from the old-age pension)

The draft *Roadmap for Mainstreaming Ageing: Georgia* prepared by UNECE in 2014 in collaboration with UNFPA, reviews various laws, action plans, and provisions that have or could have relevance to the elderly. Their review encompasses the following:

While many national policy frameworks in Georgia may be interpreted as covering some of the needs of older persons, it is mostly by virtue of other characteristics, such as disability, IDP status, or poverty, rather than on the basis of their status as being elderly. There exists no comprehensive policy which integrates these and, in the process, assesses to what extent the special situations and needs of older persons are addressed. A comprehensive assessment or policy could also include a focus on the contributions that older persons can make to society, rather than merely classifying them into one or more categories of (potential) social assistance beneficiaries.

The UNECE report mentions that the Public Defender's Office is working on a report on "Ageing - Elderly Rights in Georgia 2013" to be presented to the Parliament of Georgia later in 2014. The report will cover main human right issues of older persons, including their living and housing conditions. While such a report is an important step in the right direction, a comprehensive analysis of the situation of the elderly in Georgia would be beneficial as underlying material for said report. Apart from the annual Integrated Household Survey, the tri-annual GGS, and administrative records from various Ministries, the evidence-base on older persons is limited. The new Population and Housing census, to be conducted in late 2014, will be an important additional source of nationally representative data on older persons, allowing detailed analysis by administrative units and other socio-economic criteria, something that other data sources typically are not suited for. More importantly, however, is the need to

Georgia's elderly persons rely to a large extent on government sponsored social assistance, but the system of universal old-age pensions may be

Table 22: Subjective assessment of ability of older people to sustain themselves

Household able to make ends meet	Female 65+ Wave 1 (2006)	Male 65+ Wave 1 (2006)	Total 65+ Wave 1 (2006)	Female 65+ Wave 2 (2009)	Male 65+ Wave 2 (2009)	Total 65+ Wave 2 (2009)
With great difficulty	49.1%	39.3%	45.0%	44.4%	36.1%	41.1%
With difficulty	29.8%	35.2%	32.1%	34.2%	36.1%	35.0%
With some difficulty	15.1%	17.6%	16.2%	15.6%	20.0%	17.4%
Fairly easily	5.7%	7.2%	6.3%	5.2%	6.6%	5.8%
Easily	0.1%	0.5%	0.3%	0.4%	1.2%	0.7%
Very easily	0.1%	0.3%	0.2%	0.2%	0.0%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Generations and Gender Survey Wave 1 & 2, 2006, 2009.

Table 23: Various policy frameworks and their relevance to the situation of older people

Policy framework	Relevance to elderly population
The constitution of Georgia:	No explicit reference to the elderly; Article 37: All citizens have the right to health insurance as a means of affordable medical aid
The Labor Code of Georgia (2013):	No reference to older workers or retirees; Earlier, more liberal, versions of the Labor Code debilitated a contribution-based pension system.
National Health Care Strategy 2011-2015:	Demographic and health challenges explicitly recognized. Strategies: a) addressing prevalent causes of mortality; b) reducing burden of disease, most importantly among the working age population and c) Maximizing demographic potential by minimizing perinatal and child losses.
Law on Gender Equality (2010):	No mention of the age dimension neither in relation to gender issues, nor of special needs and vulnerabilities of older women and men.
Law on elimination of Domestic Violence, Protection of and Support to its Victims (2008):	The specification of "family members" includes categories that are ipso facto comprised of older persons. The law covers, amongst others: a) Role of the state and authorized bodies; b) Prevention of domestic violence; c) Protective measures for victims; d) Rehabilitation of abusers
Georgian Law on Social Protection of Persons with Disabilities (1995, 2006):	No specific reference to disabled elderly persons. Key features: a) Entitlement to disability pension; b) Rehabilitation assistance program for disabled persons;
Action Plan 2010-2012 on Social Integration of Persons with Disabilities:	Key features: a) Systemic improvements to determine disabilities; b) Promotion of public awareness; c) Improvement of accessibility of public infrastructure; d) Education for disabled persons; e) Improve health care and welfare system.
Action Plan for Equal Opportunities of People with Disabilities (2014):	Built upon the principles and obligations defined in the United Nations Convention.
Code of Local Government (2014):	Concerns the rights and responsibilities of local governments. Of relevance to the elderly is the following: Development of infrastructure, public spaces and adaptation of transport to be adjusted to the needs of children and older people
The Law of Georgia On the Elimination of All Forms of Discrimination (2014):	a) <available in Georgian language only>

Source: UNECE, 2014

reaching the limits of what the government can afford. Even so, many older persons are struggling to make ends meet. Given the fact that Georgia's older population will continue to grow and that many older persons remain economically active after formal retirement age, it is suggested that the older population of Georgia is assessed on its potential, rather than as a potential burden. Pro-active engagement of the government in facilitating economically productive activities for older persons who are able and willing could benefit the nation's economy as well as the status and well-being of the elderly themselves.

Settlement Patterns and Population Mobility

All sources agree that data and statistics migration (whether internal or international) for Georgia are highly problematic. For many years the country maintained an open border policy which included visa-free travel for citizens of more than 80 countries. Georgian citizens need to obtain an emigration permit to emigrate: in practice persons defy this rule. Some improvements in the migration data situation may be expected to arise from a new law on the Legal Status of Foreign and Stateless Individuals, which will come into force in 2014. The Ministry of Internal Affairs, based on the new law, would create and maintain a comprehensive database of information on all border crossings, visas, and residence permits issued; extradition decisions; foreign businesses registered in Georgia, etc. While this law and its proposed database may address some of the migration data issues, it is likely to be effective primarily with regards to registration of immigration, not emigration of Georgian citizens. More on this toward the end of this chapter.

Several researchers have attempted to reconcile the discrepancies between different data sources on migration, and some of them have come up with their own estimates. The work of Giorgi Tsuladze, for instance, is a valid attempt in this regard. This chapter is not intended to discuss the validity of various estimates, nor to come up with some "best guesses" as to the "real" figures. Rather, it discusses the major trends, their implications, and policies that affect past, current, and future trends of the different types of population mobility.

As noted elsewhere, the lack of recent census data severely hampers analysis of the population situation in Georgia. This is particularly problematic with regards to migration data. There are however some recent surveys that include information on migration. It is these sources that will be primarily used with the aim of analyzing some of the main characteristics of migration in Georgia.

Georgian authorities have recognized the importance of migration as evidenced by a large volume of legislative measures on various aspects of it. Some of the major legal documents are the following:

- 2014 Law on the Legal Status of Foreign and Stateless Individuals

- 2012 Law on Refugee and Humanitarian Status

- 2011 EU-Georgia Visa Facilitation agreement

- 2011 Law on Diaspora Organizations and Compatriots Living Abroad

- 2009 EU-Georgia Mobility Partnership

- 2006 Law on Combating Human Trafficking

- 2005 Law on Legal Status of Aliens

- 1996 (amended in 2012) Law on the Rules of Registration of Georgian Citizens and Aliens Residing in Georgia and Issuance of an Identity Certificates and a Georgian Citizen Passport

- 1995 Constitution of Georgia (last amended 2012)

- 1993 Law on the Rules of Georgian Citizen's Entry into and Exit from Georgia (last amended in 2011)

- 1993 Law on the Citizenship of Georgia

1. Urbanization and Internal Migration

Urban areas in the Republic of Georgia are defined as "Cities and urban-type localities, officially designated as such, comprising of more than 5,000 inhabitants and with predominance of non-agricultural workers and their families, and an urban-oriented socio-cultural and economic infrastructure." (Amalgamation of definitions presented by UN Population Division http://esa.un.org/unpd/wup/CD-ROM/WUP2014_DOCUMENTATION/WUP2014-DataSource-UrbanPopulation.xls and in Badurashvili and Nadareishvili (2012).

The latest available official statistic on the proportion of the Georgian population living in urban areas is for 2013, and has a value of 53.2% (*Demographic Yearbook of Georgia 2012*, Table 2). This corresponds fairly well with the value presented by the UN Population Division in the World Urbanization Prospects of 2014, which puts this at 53.5%.[51] Both sources are also in general agreement with regards to historical figures and trends: in 1990, the proportion living in urban areas was 55.3% according to the *Demographic Yearbook*, and 55.0% according to UNPD. According to either source, the intervening period is characterized by a slow but

51 *This estimate includes Abkhazia and South Ossetia.*

steady decline in the proportion of urban population. Underlying this general trend are political and economic events. Available data (Ministry of Interior, as quoted in Badurashvili and Nadareishvili) show a two-third reduction in influx of rural migrants into urban areas over the years 1990-92. Initiation of land privatization from 1993 onwards triggered reverse migration flows, into rural areas. Badurashvili and Nadareishvili suggest that rural to urban migration resumed from the second half of the 1990s onwards, reaching a maximum in 2003.

The data on population by municipalities show overall low population growth, while in some municipalities and regions the population numbers are showing decline. Some highlights from the above table:

- Tbilisi is the fastest growing city in Georgia, though at an average annual growth rate of less than 1% it is growing much slower than most other capital cities in the EECA region;

- The autonomous Republic of Adjara is the fastest growing region in Georgia at 0.7% per year, with positive population growth in all its municipalities;

- The municipality of Tsalka in Kvemo Kartli is experiencing the fastest population growth at 1.4% per year;

- Decline in population numbers is most evident in the region of Mtskheta-Mtianeti, even when accounting for the data pertaining to the Municipality of Akhalgori;

- The municipality of Ambrolauri is experiencing the fastest population decline, at 1.4% per year;

The data in the above table may be better interpreted when viewed on a thematic map. Two clusters of municipalities with high population decline are noted: in the region Racha-Lechkumi and Kvemo-Svaneti and a cluster around Tbilisi, constituted by municipalities Mtskheta and Gardabani. With regards to the first cluster it is noted that it is mostly high mountainous area, known to be poverty stricken. With regards to the second the observed population declines could be due either to annexation of peri-urban areas around Tbilisi from those municipalities to Tbilisi, or due to actual migratory movements of persons taking up residence in the capital city.

Georgia's Population and Housing Census of 2002 indicate that 33% of men living in urban areas were born elsewhere. For women the value is

Table 12: Population by municipalities, 2004-2013

	2004	2008	2012	2013	Annual population growth rate 2004-2013
G E O R G I A	4,318.3	4,383.8	4,490.7	4,487.2	0.43%
Tbilisi	1,079.0	1,136.6	1,172.0	1,173.2	0.93%
Autonomous Republic of Abkhazia	1.9	1.9	...	...	
Sokhumi, City of	...	...	...	...	
Tkvarcheli, City of	...	...	...	...	
Azhara, Municipality of	1.9	1.9	...	...	
Gagra, Municipality of	...	...	...	...	
Gali, Municipality of	...	...	...	...	
Gudauta, Municipality of	...	...	...	...	
Gulripshi, Municipality of	...	...	...	...	
Ochamchira, Municipality of	...	...	...	...	
Sokhumi, Municipality of	...	...	...	...	
Autonomous Republic of Adjara	371.5	381.3	393.9	395.4	0.69%
Batumi, City of	120.7	122.3	147.8*	160,6*	0.50%**
Keda, Municipality of	19.6	19.9	20.5	20.6	0.55%
Kobuleti, Municipality of	86.9	89.6	92.9	93.1	0.77%
Shuakhevi, Municipality of	21.2	22.2	22.9	22.8	0.81%
Khelvachauri, Municipality of	90.0	92.5	73.9*	62,3*	0.83%**
Khulo, Municipality of	33.1	34.8	35.9	36.0	0.93%
Guria	138.9	138.8	139.8	139.0	0.01%
Lanchkhuti, Municipality of	39.1	38.7	38.9	38.6	-0.14%
Ozurgeti, Municipality of	77.0	77.3	78.2	77.8	0.11%
Chokhatauri, Municipality of	22.8	22.8	22.7	22.6	-0.10%
Imereti	689.6	693.9	705.7	703.6	0.22%
Kutaisi, City of	184.2	188.6	196.6	196.7	0.73%
Baghdati, Municipality of	28.5	28.5	28.7	28.6	0.04%
Vani, Municipality of	34.0	33.7	33.7	33.5	-0.16%
Zestaponi, Municipality of	75.1	75.1	75.5	75.3	0.03%
Terjola, Municipality of	44.7	44.8	45.0	44.7	0.00%
Samtredia, Municipality of	59.6	59.8	60.6	60.2	0.11%
Sachkhere, Municipality of	46.2	46.8	48.0	48.0	0.42%
Tkibuli, Municipality of	30.5	30.1	30.0	29.7	-0.30%
Tskhaltubo, Municipality of	72.8	73.1	73.8	73.5	0.11%
Chiatura, Municipality of	55.3	55.0	55.1	54.9	-0.08%
Kharagauli, Municipality of	27.4	27.4	27.3	27.2	-0.08%
Khoni, Municipality of	31.3	31.0	31.4	31.3	0.00%
Kakheti	400.6	401.7	406.1	405.0	0.12%
Akhmeta, Municipality of	40.8	41.5	42.3	42.3	0.40%
Gurjaani, Municipality of	71.2	70.0	69.5	69.1	-0.33%
Dedoplis Tskaro, Municipality of	30.3	30.3	30.6	30.5	0.07%
Telavi, Municipality of	69.6	69.9	71.0	70.8	0.19%
Lagodekhi, Municipality of	50.4	51.2	52.0	52.0	0.35%
Sagarejo, Municipality of	58.3	58.8	60.0	60.1	0.34%
Sighnaghi, Municipality of	42.9	43.0	43.6	43.3	0.10%
Kvareli, Municipality of	37.1	37.0	37.1	36.9	-0.06%
Mtskheta-Mtianeti	122.5	105.2	109.3	108.9	-1.31%
Akhalgori, Municipality of	7.4	7.6	...	...	
Dusheti, Municipality of	32.9	33.1	34.0	33.7	0.27%
Tianeti, Municipality of	13.2	13.1	13.0	12.9	-0.26%
Mtskheta, Municipality of	64.1	46.5	57.4	57.4	-1.23%
Kazbegi, Municipality of	4.9	4.9	4.9	4.9	0.00%
Racha-Lechkhumi and Kvemo Svaneti	49.4	47.9	46.7	46.1	-0.77%

Table 12: Population by municipalities, 2004-2013

	2004	2008	2012	2013	Annual population growth rate 2004-2013
Ambrolauri, Municipality of	15.6	14.8	13.9	13.7	-1.44%
Lentekhi, Municipality of	8.8	8.9	9.0	8.9	0.13%
Oni, Municipality of	8.9	8.6	8.3	8.2	-0.91%
Tsageri, Municipality of	16.1	15.6	15.5	15.3	-0.57%
Samegrelo-Zemo Svaneti	459.9	467.9	478.2	476.6	0.40%
Poti, City of	46.6	47.4	47.8	47.7	0.26%
Abasha, Municipality of	28.1	27.9	27.7	27.6	-0.20%
Zugdidi, Municipality of	165.9	171.5	177.7	177.1	0.73%
Martvili, Municipality of	44.1	44.4	44.8	44.6	0.13%
Mestia, Municipality of	14.1	14.4	14.6	14.5	0.31%
Senaki, Municipality of	51.4	51.7	52.4	52.2	0.17%
Chkhorotsku, Municipality of	29.6	29.8	30.8	30.7	0.41%
Tsalenjikha, Municipality of	39.5	40.0	40.8	40.7	0.33%
Khobi, Municipality of	40.6	40.8	41.6	41.5	0.24%
Samtskhe-Javakheti	203.1	207.9	213.8	213.6	0.56%
Adigeni, Municipality of	20.1	20.4	20.8	20.8	0.38%
Aspindza, Municipality of	12.3	12.6	13.2	13.2	0.78%
Akhalqalaqi, Municipality of	60.2	62.3	64.9	64.8	0.82%
Akhaltsikhe, Municipality of	45.3	46.9	48.5	48.4	0.74%
Borjomi, Municipality of	31.6	31.6	31.6	31.5	-0.04%
Ninotsminda, Municipality of	33.6	34.1	34.8	34.9	0.42%
Kvemo Kartli	492.9	487.8	511.2	512.1	0.42%
Rustavi, City of	115.3	117.3	122.5	122.7	0.69%
Bolnisi, Municipality of	73.6	76.3	78.7	78.7	0.74%
Gardabani, Municipality of	113.3	95.6	99.7	99.9	-1.40%
Dmanisi, Municipality of	27.7	28.2	28.8	28.8	0.43%
Tetri Tskaro, Municipality of	25.0	25.7	28.3	28.3	1.38%
Marneuli, Municipality of	117.3	123.0	129.7	130.2	1.16%
Tsalka, Municipality of	20.7	21.7	23.5	23.5	1.41%
Shida Kartli	309.0	312.9	314.0	313.7	0.17%
Tskhinvali, City of	...	...	...	...	
Gori, Municipality of	146.6	135.7	145.9	145.7	-0.07%
Eredvi, Municipality of	...	5.9	...	...	
Tighvi, Municipality of	...	1.5	...	...	
Kaspi, Municipality of	51.4	51.8	52.8	52.6	0.26%
Kareli, Municipality of	49.5	49.5	52.8	52.9	0.74%
Kurta, Municipality of	...	7.1	...	...	
Khashuri, Municipality of	61.5	61.4	62.5	62.5	0.18%
Java, Municipality of	...	...	...	...	

*Note: the city of Batumi expanded its administrative boundaries in 2012, incorporating part of Municipality of Khelvachauri.
**Note: calculated over the period 2004-2012.
Source: GeoStat - http://www.geostat.ge/cms/site_images/_files/english/population/03%20Mid-year%20 Population%20by%20municipalities.xls and author's calculations

Figure 39: Population change by municipality, Georgia 2004-2013

GEO_adm2 by Growth
■ 1 to 1.5
■ 0.5 to 1
■ 0 to 0.5
■ -0.5 to 0
■ -1 to -0.5
■ -1.5 to -1
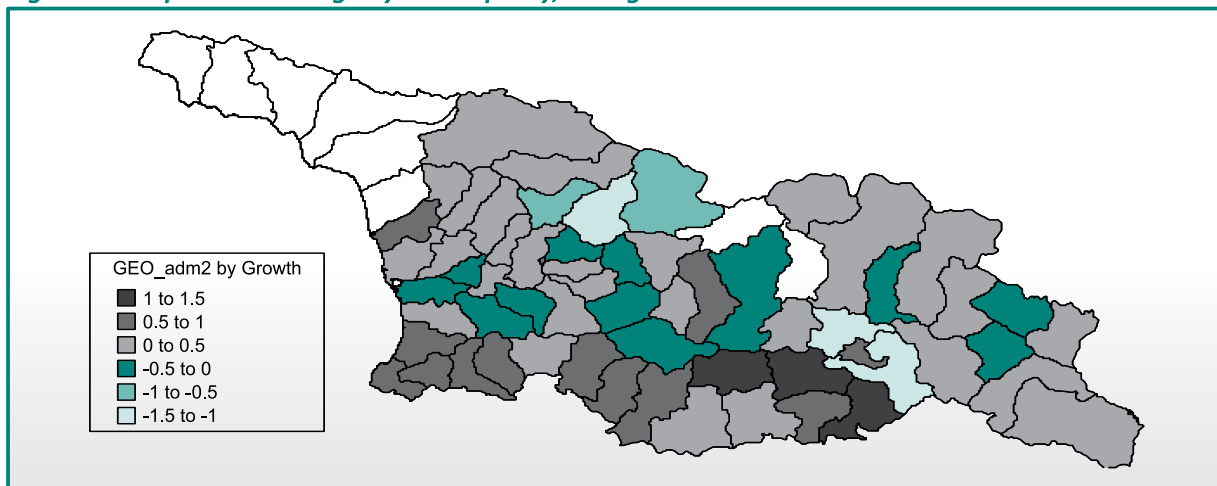
Source: Author's calculations

Figure 40: Proportion urban, Georgia, 2006-14
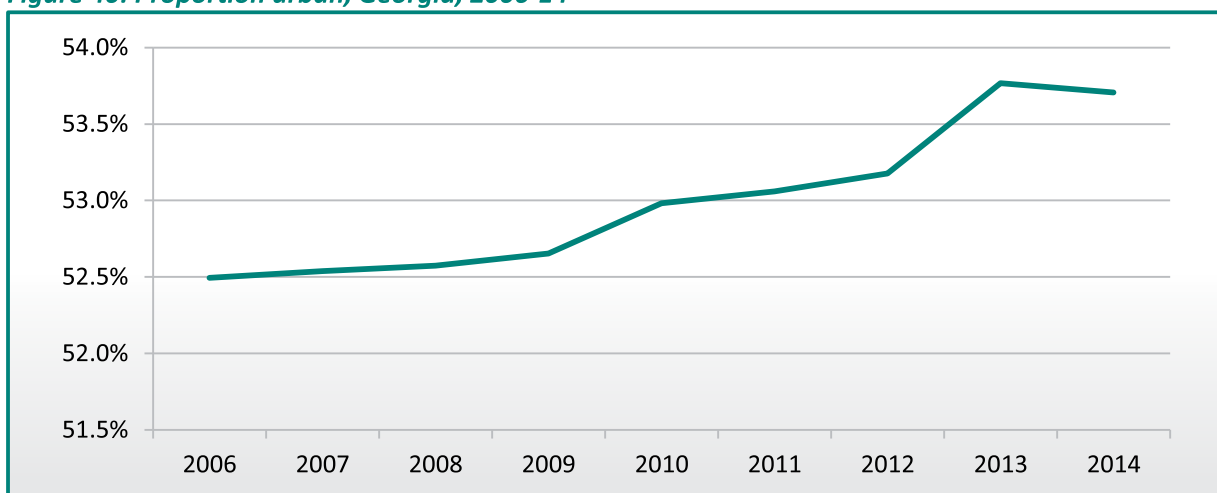
Source: GeoStat - http://www.geostat.ge/index.php?action=page&p_id=152&lang=eng

slightly higher, at 40 percent. While the majority of those who moved reported duration of residency of more than 10 years the data also reveals significant proportions with reported residence of less than a year among young people. Looking at the age distribution of those who moved to an urban area, proportions steadily increase with age, reaching a peak at age group 40-44. This holds true for both males and females living in urban areas.

The Integrated Household Survey provides some information on recent trends in urbanization. The 2013 iteration of this survey for instance, reveals that two in three Georgians living in an urban location were born elsewhere. Interestingly, this proportion is higher among women than among men. Among women the rate is approximately three out of four, while among men it is slightly over half. The marital status and age distribution of women who moved to another place (not just urban locations) suggests that their higher level of mobility may be due to marriage.

Although the information revealed is fairly limited – in the absence of information on place of origin – a tabulation of migrant status by region does reveal a few salient observations. Besides the overall greater proportions of women who have ever changed place of residence, as already noted, the tables below suggest that the vast majority of women moved within the same region, while most men who moved came from a different region than the one where they are currently living.

Another notable difference between men and women is with regard to migration to Tbilisi. While the proportion women who moved to Tbilisi is not notably different from the proportions of migrants in other regions, among men the proportions moving to Tbilisi are notably higher, outnumbering those who never moved. This suggests that Tbilisi receives a disproportionate number of male migrants.

Table 13: Mobility by residence area, migrant status, sex and marital status

Migrant status	Rural			Urban		
	Female	Male	Total	Female	Male	Total
Never moved	27.9%	75.4%	51.1%	24.3%	45.6%	34.0%
From same region	59.8%	18.4%	39.5%	64.9%	47.5%	57.0%
From other region	11.6%	5.8%	8.7%	9.8%	6.2%	8.1%
From other country	0.8%	0.5%	0.6%	1.1%	0.7%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Marital status	Never moved		
	Female	Male	Total
Married	3.8%	56.3%	29.8%
Non-registered marriage	6.5%	62.7%	33.5%
Single	75.4%	78.0%	76.8%
Divorced	24.2%	50.4%	32.1%
Widowed	5.1%	44.7%	11.1%
Total	26.5%	65.0%	44.9%

Source: Own calculations, based on Integrated Household Survey, 2013

Table 14: Migrant status by sex and place of current residence

Women / Place of current residence	Migrant status				Total
	Never moved	From same region	From other region	From other country	
Kakheti	25.3%	66.0%	7.6%	1.1%	100.0%
Tbilisi	24.9%	65.4%	8.5%	1.3%	100.0%
Shida Kartli	28.4%	56.3%	14.8%	0.4%	100.0%
Kvemo Kartli	27.4%	56.1%	15.6%	0.9%	100.0%
Samtskhe-Javakheti	27.1%	65.0%	5.5%	2.4%	100.0%
Adjara A.R.	31.6%	66.5%	1.5%	0.4%	100.0%
Guria	27.7%	49.1%	22.6%	0.6%	100.0%
Samegrelo-Zemo Svaneti	26.8%	61.5%	11.2%	0.5%	100.0%
Imereti, Racha-Lechkhumi and Kvemo Svaneti	24.6%	65.4%	9.3%	0.7%	100.0%
Mtskheta-Mtianeti	23.3%	48.7%	27.5%	0.4%	100.0%
Total	26.5%	61.7%	10.9%	0.9%	100.0%

Men / Place of current residence	Migrant status				Total
	Never moved	From same region	From other region	From other country	
Kakheti	67.6%	3.3%	28.1%	0.9%	100.0%
Tbilisi	38.7%	6.0%	54.4%	0.9%	100.0%
Shida Kartli	73.1%	5.3%	21.6%	0.0%	100.0%
Kvemo Kartli	63.5%	12.2%	23.7%	0.5%	100.0%
Samtskhe-Javakheti	80.3%	1.1%	18.2%	0.4%	100.0%
Adjara A.R.	69.4%	0.4%	30.2%	0.0%	100.0%
Guria	75.2%	8.4%	16.4%	0.0%	100.0%
Samegrelo-Zemo Svaneti	73.0%	5.9%	20.1%	0.9%	100.0%
Imereti, Racha-Lechkhumi and Kvemo Svaneti	69.8%	4.6%	25.1%	0.5%	100.0%
Mtskheta-Mtianeti	61.0%	16.8%	21.8%	0.3%	100.0%
Total	65.0%	5.9%	28.6%	0.5%	100.0%

Source: Own calculations, based on Integrated Household Survey, 2013

While the available data (except the census of 2002, which is too old) does not provide reasons for migration, there is reason to believe that poverty is likely to be a major push factor, for internal as well as international migration from Georgia. The Integrated Household Survey provides data on a subjective assessment of households on their level of well-being. The results for Mtskheta-Mtianeti region unequivocally support the notion of high levels of poverty, which may be associated with the population decline in this region that was observed earlier. For the region Racha-Lechkhumi and Kvemo Svaneti (the other cluster of municipalities experiencing population decline) the subjective assessment results are not consistent with the popular notion that this is a poor region.

2. Emergency Situations: Natural Disasters, Armed Conflicts, Displacement

After the independence, separatist movements were fuelled in two regions of Georgia, namely in Abkhazia and Tskhinvali region (so-called South Ossetia) – regions which during the Soviet Union period had an autonomous status. The ensuing short armed conflicts forced the majority of the Georgian population in those regions to flee to other parts of Georgia and abroad.

The military conflict in Chechnya, in 1999 resulted in a sudden influx of Chechens fleeing their homeland and seeking refuge in Georgia. They were granted refugee status by the Georgian Government. Since then, the number of refugees in Georgia has drastically declined due to repatriation to their homeland, resettlement in third countries, and some have been granted Georgian Citizenship. From an initial 9,000 refugees in 1999 – from the Chechen Republic of the Russian Federation – to around 345 by the year 2012, mostly from the Russian Federation. Under the joint program „Local Integration and Protection of Refugees and Asylum Seekers" initiated by UNCHR and the Ministry of Georgia, residential spaces were purchased for the refugees and small grants were awarded for undertaking small-scale entrepreneurial activities.

In recent years the numbers of asylum seekers in Georgia have dramatically increased, from 57 in 2010 to 79 in 2011, 599 in 2012 and 469 in 2013 (based on numbers of asylum applications received by the Georgian Ministry of Refugees and

Resettlement). Only a small proportion of the applications for refugee status received by the Ministry are approved. Of the 599 applications in 2012, 24 (4%) were granted refugee status and 29 (5%) received humanitarian status.

Conversely, data from IOM indicate that over the period 1990-2012 a total of approximately 117,000 persons with Georgian nationality applied for asylum in countries of the European Union. It is reported that in the early 1990s such applications were mostly granted, but over the last decade the rate of successful asylum applications does not exceed 5% (Chelidze, 2013).

Armed conflicts that took place in Abkhazia (in 1992-1993) and Tskhinvali region (in 1989-1992) and military aggression in South Ossetia in 2008 resulted in relocation of large population groups from the respective affected regions. The number of IDPs increased by 26,000 people after the war with the Russian Federation in August 2008.[52] According to the statistics provided by the Ministry of IDPs from the Occupied Territories, Resettlement and Refugees of Georgia, the total number of IDPs registered as of September 2014 amounts to approximately 260,000.

Following the armed conflicts many IDPs were provided with shelter and humanitarian assistance in compact collective centers. Other IDPs found shelter individually, including living in the apartments of their relatives, friends or in the flats either rented or purchased under a state program that was set up to support them. Nowadays, approximately 45% of the IDPs reside in the collective centers while the remaining 55 % live in the residential spaces obtained individually.

Within the framework of a policy towards reintegration of IDPs, about 25,000 IDP families have been provided with durable housing solution and 5,000 IDP families with financial support, for the purpose of acquiring private housing. However, about 50,000 families still remain without durable housing solution. In addition to the housing needs, IDPs face other acute problems such as unemployment, limited access to healthcare, education and other social and economic opportunities.

Recognizing a lack of current data on IDPs, the Ministry of IDPs from the Occupied Territories of Georgia, Accommodation and Refugees has conducted a census of all IDPs which aims to provide better insight into their numbers, distribution, level of integration into Georgian society, and an assessment of their needs. The census is registra-

52 http://mra.gov.ge/eng/static/47

Table 15: Migration by region, area of residence and subjective evaluation of the economic state of the household

| Region | Area | Based on household income, how would you evaluate the economic state of your household? | | | | | Total |
		Good – no limitations on spending money	**Middle** – we satisfy our daily material needs easily	**Satisfactory** – we more or less manage to satisfy our daily needs	**Bad** – our income (harvest) is only enough for food	**Very bad** – our income (harvest) is not enough even for food	
Kakheti	Urban	0.0%	9.5%	34.5%	39.5%	16.5%	100.0%
	Rural	0.1%	3.8%	32.3%	42.9%	21.0%	100.0%
	Total	0.1%	4.5%	32.5%	42.5%	20.4%	100.0%
Tbilisi	Urban	1.2%	17.4%	28.9%	39.9%	12.6%	100.0%
	Rural	0.0%	13.8%	32.6%	43.1%	10.5%	100.0%
	Total	1.2%	17.2%	29.1%	40.1%	12.5%	100.0%
Shida Kartli	Urban	0.0%	6.5%	27.0%	46.3%	20.3%	100.0%
	Rural	0.0%	3.3%	31.3%	49.9%	15.5%	100.0%
	Total	0t.0%	4.0%	30.3%	49.1%	16.5%	100.0%
Kvemo Kartli	Urban	1.2%	23.6%	36.6%	33.1%	5.6%	100.0%
	Rural	0.4%	9.2%	33.8%	49.5%	7.2%	100.0%
	Total	0.6%	12.7%	34.5%	45.4%	6.8%	100.0%
Samtskhe-Javakheti	Urban	1.0%	20.4%	40.2%	36.9%	1.5%	100.0%
	Rural	0.3%	6.2%	41.3%	45.9%	6.3%	100.0%
	Total	0.4%	9.7%	41.1%	43.7%	5.1%	100.0%
Adjara A.R.	Urban	0.3%	21.5%	58.8%	15.8%	3.5%	100.0%
	Rural	0.0%	12.9%	43.8%	37.3%	6.0%	100.0%
	Total	0.1%	15.5%	48.4%	30.7%	5.2%	100.0%
Guria	Urban	0.0%	19.6%	25.3%	49.4%	5.7%	100.0%
	Rural	0.9%	20.8%	39.6%	31.9%	6.7%	100.0%
	Total	0.8%	20.7%	37.7%	34.3%	6.5%	100.0%
Samegrelo-Zemo Svaneti	Urban	0.0%	2.6%	35.8%	43.9%	17.7%	100.0%
	Rural	0.1%	7.1%	29.2%	44.0%	19.6%	100.0%
	Total	0.1%	5.9%	30.9%	44.0%	19.1%	100.0%
Imereti, Racha-Lechkhumi and Kvemo Svaneti	Urban	0.0%	7.8%	43.8%	39.6%	8.8%	100.0%
	Rural	0.5%	8.6%	29.9%	48.0%	13.0%	100.0%
	Total	0.3%	8.3%	35.0%	44.9%	11.5%	100.0%
Mtskheta-Mtianeti	Urban	0.0%	0.9%	29.1%	47.4%	22.6%	100.0%
	Rural	0.0%	2.9%	28.7%	36.5%	32.0%	100.0%
	Total	0.0%	2.5%	28.8%	38.5%	30.2%	100.0%
Total	Urban	0.7%	14.6%	35.3%	38.3%	11.2%	100.0%
	Rural	0.3%	8.3%	33.9%	43.8%	13.8%	100.0%
	Total	0.4%	10.6%	34.4%	41.8%	12.8%	100.0%

Source: Geostat - Integrated Household Survey 2013 data files

Table 16: Distribution of IDPs as of September 2014

Region	Number of IDPs	Number of Families	Proportion IDPs
Adjara	6416	2230	1.6%
Guria	490	165	0.4%
Tbilisi	98742	34314	8.4%
Imereti	24755	8342	3.5%
Kakheti	1486	487	0.4%
Mtskheta-Mtianeti	10864	3485	10.0%
Racha-Lechkhumi-kvemo Svaneti	841	338	1.8%
Samegrelo-Zemo Svaneti	84420	26869	17.7%
Samtskhe-Javakheti	2288	909	1.1%
Kvemo Kartli	12406	4120	2.4%
Shida Kartli	16539	5024	5.3%
Total	259247	86283	5.8%

Source: MRA website http://www.mra.gov.ge/eng/static/55 and author's calculations.

tion-based (IDPs are requested to re-register as IDPs). The process of registration started in July and finished in December 2013.

The main objectives of the state strategy regarding IDPs are:

a) create conditions for dignified and safe return of IDPs and to support IDPs who have spontaneously returned to their places of permanent residence;

b) To support decent living conditions for the displaced population and their integration in all aspects of society.

Despite the considerable efforts made to support IDPs, resources devoted remain limited and there are no provisions for IDPs to recover their housing, land and property at their place of origin or receive compensation for its loss (UNDP 2013: 30-31). The Ministry of IDPs from Occupied Territories, Accommodation and Refugees adopted another strategy for the period 2012 to 2014 and an action plan for IDPs to facilitate their integration and social inclusion into society. The strategy aims to support the settlement of IDPs by reconstructing existing State buildings or giving compensation to each family registered in the data-base.

The first Law of Georgia on the Internally Displaced Persons from the Occupied Territories of Georgia was adopted in 1996 and updated in 2011. At the same time the Ministry of IDPs and Resettlement of Georgia was established, comprised of two main departments, the department of the issues of IDPs and the department of migration issues, resettlement and refugees.

A new law on IDPs came into force in 2014. According to the Ministry, this was necessary be-

cause "the old law did not reflect the public policy regarding IDPs and did not meet international standards" (MRA webpage http://www.mra.gov.ge/eng/static/3421). The main updates of the new law are as follows:

• From March 2014, all IDPs will receive significantly increased monthly allowance of 45 GEL.

• The concepts of compact and private accommodation were canceled and all IDPs will receive an equal amount of allowance.

• IDPs are now beneficiaries of the universal health care programme.

• IDPs are fully protected from eviction from the accommodations under their legal ownership.

• IDP allowance will no longer be suspended if IDP leaves country for more than two months, in case the reason is related to business trips, study or medical treatment facility. IDP must inform the Ministry in advance.

• The procedure of granting IDP status is simplified; in particular, bureaucratic mechanism that granted IDP seeker status has been canceled.

• The concept of family has been defined in order to respect family unity right.

• IDPs have right to restitute remaining property on the occupied territory and inherit it.

The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Ref-

ugees estimated that the increase of the monthly allowance will require an additional budget of about 22 million GEL compared to 2013.[53]

A special category of IDPs is formed by the so-called "eco-migrants". These are displaced persons who suffered damage and loss of property due to environmental disasters. Georgia's domestic legislation on Internally Displaced Persons does not include natural disasters among the admissible grounds for IDP status (Lyle, 2013) which leaves ecological migrants with no protection in Georgian national law. This does not mean that the existence of this category of displaced persons has been ignored. Early interventions in relation to eco-migrants were marred by ethnic considerations and corruption, however. A decree in 1998 on Eco-Migrants introduced a monitoring process for eco-migration, but there was no follow-up action after the initial monitoring of ecological migration trends had been conducted. It was not until 2004 that several new initiatives on eco-migration were launched. The relevant state ministry (MRA) collected assessment data on housing conditions in the mountain regions, and from 2004 the government initiated programmes providing houses to eco-migrants. Somewhat more substantive measures were undertaken from 2006 onwards, with a programme to create an official database of families affected by natural disasters and in need of immediate resettlement. An evaluation system for eco-migrant entitlements was introduced based on assessments involving geologists, with the following assessment categories:

- House destroyed
- House damaged
- House damaged but restorable
- Only lands around house destroyed

Only families in the first category are entitled to government sponsored resettlement. As reported by Lyle (2013) a total of 37,000 families are registered as needing resettlement, with 11,000 in assessment categories 1 and 2 (urgent resettlement needs). By 2011, merely 1,000 families had been resettled with government assistance. The region most affected by eco-migration is Adjara. The ecological problems in Adjara are exacerbated by the combination of rapid population growth and land shortage. The increasing needs of the large (predominantly Muslim) families there have led to deforestation and agricultural use of higher hillside land, which increases the risk of natural disasters.

53   http://civil.ge/eng/article.php?id=26728

In the long-term, the shortage of land could produce a wave of „demographic migrants" from the highland Khulo and Shuakhevi districts of Adjara to lowland areas.

The legal situation and de facto assistance processes regarding eco-migrants suffer multiple shortcomings, as reported in Lyle (2013). Major donors do not seem to have taken an interest in this situation, and it is primarily UNHCR and some NGOs that have undertaken some action. The responsible government agency, MRA, has limited means to address the issue. For the years 2010 and 2011 it had no funding to procure houses for resettlement of eco-migrants.

Various legislations and action plans regarding IDPs (including eco-migrants) appear to consider this population group merely as beneficiaries or recipients. Despite high unemployment amongst these population groups, their labor potential does not seem to be deployed in improving their own situations. Supporting IDPs with (leased or procured) land and enabling them to build on it could be an alternative to current modalities of providing accommodation. Micro-financing for small enterprises with conditions tailored to the special situation of IDPs could encourage IDPs to engage in income generating activities (UN Women, 2012).

3. International Migration

When the Soviet Union collapsed, migration was driven by three factors – massive departure of ethnic minorities to their homelands (i.e. repatriation), emigration due to economic hardships, and emigration due to wars, conflict, political unrest or corruption. The 2002 census[54] shows about one million people less than the previous one in 1989.[55] By the early 2000s, most people who could and wanted to leave had done so and consequently emigration slowed down (Jones, 2013: 193, 204-205). The undercounting of emigration flows mainly happened due to labor emigration. Many labor migrants from the former Soviet republics left for Russia and other more developed countries in search of better jobs. Due to the intended temporary nature of their departure and the desire to qualify for various social and property benefits from the homeland, these migrants never regis-

54   http://www.geostat.ge/cms/site_images/_files/english/census/2002/01%20Population%20By%20Municipalities%20and%20sex.pdf
55   http://demoscope.ru/weekly/ssp/sng_nac_89.php?reg=6; it is not clear how the territories in provinces affected by the territorial conflict with the Russian Federation are reflected in these data. Some of the reduction in numbers may be related to that.

tered their leave in the home country (Korobkov and Zaionchkovskaia, 2004) (quoted from: Makaryan (2012)).

According to the CB survey of 2012, just 6.2% of Georgian respondents are interested in permanent migration abroad. Among men the proportion is higher, at 8.5%, as compared to women with 4.3%. Interest in temporary migration is markedly higher, with 42.2% expressing such interest. Among men this is 48.9%, while among women it is 36.5%. Notable is the finding that interest in permanent migration is higher among respondents in rural areas (7.9%), while respondents in urban areas, and particularly the capital city Tbilisi (48.6%), are more interested in temporary migration.

Failure to register migratory movements along with inconsistent use of the concepts "de jure" (usually resident) and "de facto" (actually present) population have resulted in the existence of different estimates regarding Georgia's total population (see section III.1) and consequently also of the number of its (international) migrants[56]. Two sets of estimates of net migration are presented in Figure 41, one based on registration figures against a "de jure" base population, and one where indirect estimates are combined with registration figures, and measured against an adjusted "de facto" base population.

While there are obviously some discrepancies between the two sets of estimates, a general trend emerges from these data series. The balance of international migration tends to reflect the political and economic situation of the country and the main destination countries of Georgian migrants. Both sets of estimates clearly show reduced out-migration from Georgia in recent years, suggesting two possibilities:

- Economic prospects in Georgia are looking up;

- Options for migration are reduced, possibly as a result of tightened regulations (the Russian Federation introduced a visa regime for Georgia in 2001, forcing migrants from Georgia to find other countries of destination) or reduced econom-

ic opportunities in destination countries (global economic crisis).

Some of these factors can be illustrated with data from the database on Global Flow of People (by Nikola Sander, Guy J. Abel and Ramon Bauer at the Wittgenstein Centre for Demography and Global Human Capital). The data for Georgia show a steady decrease in migration flows from Georgia to countries from the former Soviet Union (primarily represented by the Russian Federation), from around 400,000 over the period 1990-95 to 100,000 for 2005-10. Emigration from Georgia to the Russian Federation dropped from around 300,000 over the period 1990-95 to less than 60,000 for 2005-10.

While the balance of international migration to and from Georgia may still be negative, the country hosts a sizeable proportion of people who were born outside of Georgia. According to the Migration Policy Centre (2013), available data from the receiving countries suggest that, between 2002 and 2012, 767.5 thousand persons born in Georgia moved abroad, while only 198.9 thousand Georgian citizens resided overseas. At the same time, around 8.1 thousand foreign citizens and 74.4 thousand people born abroad moved to Georgia. At first many labor migrants intended to move only temporarily, but eventually stayed abroad. The most popular destination country in 1990s was the Russian Federation, as 1) many emigrants were ethnic Russians; 2) social networks of migrants were well established in this country; and 3) Georgian emigrants usually spoke Russian which significantly helped their social integration. Another attractive destination for Georgian labor migrants was Turkey. However, as a consequence of the conflict with the Russian Federation, this country lost its attractiveness for Georgian emigrants, and since the 2000s the flow of emigrants to Western European countries, as well as to the US has increased.

According to the *World Bank Migration and Remittances Factbook 2011*, the immigration stock in Georgia numbers approximately 167,000 or 4% of the population. Immigrants are mostly from India, Turkey and China. During some years of the 2000 decade, immigration exceeded emigration, but the overall trend of net migration since 2009 has been downward and in 2012 net migration was negative again, with 21.5 thousand people[57]. The same source estimates the total number of Georgians abroad (emigration stock) at around 1.058 million, or approximately 25% of the resident population of Georgia. The main countries where Georgian
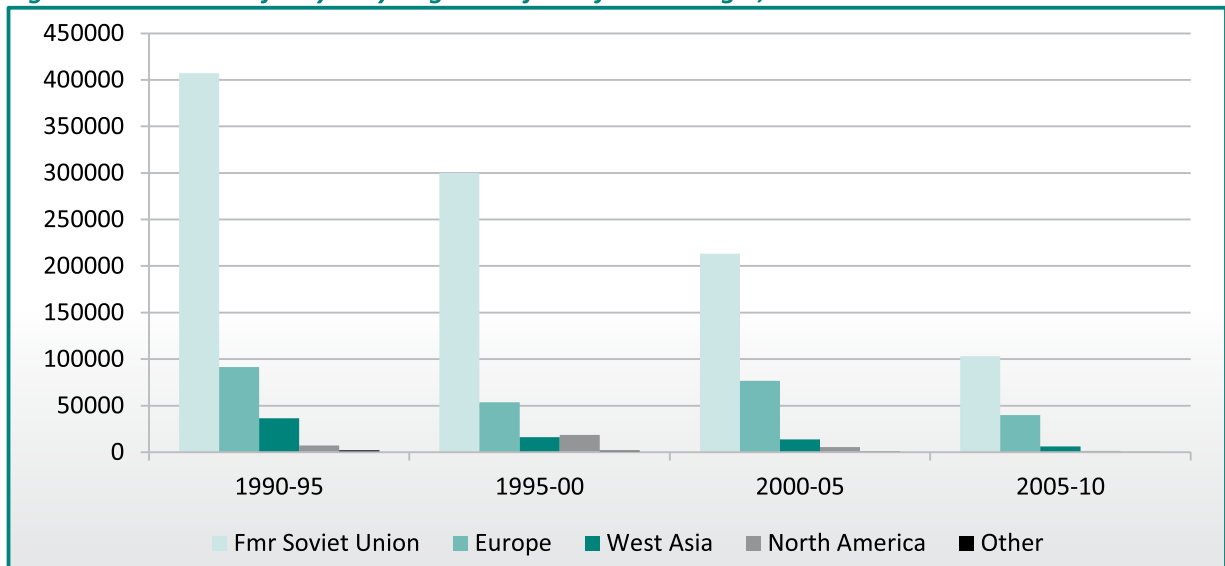
Figure 41: Estimated annual net migration rates, Georgia 1990-2012
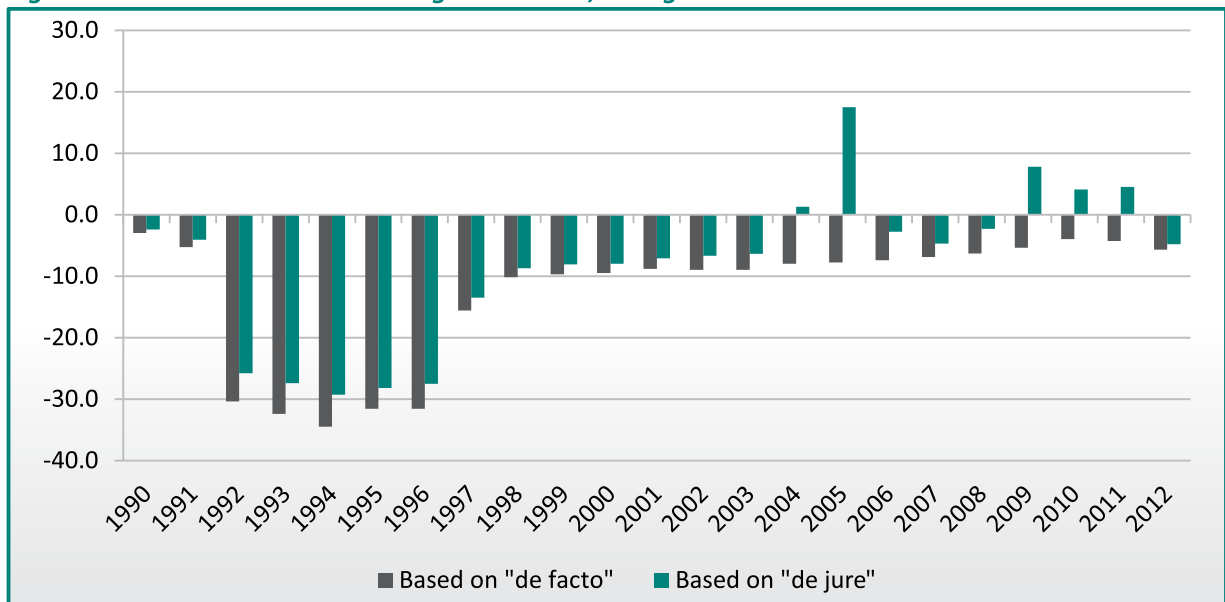
Source: Demographic Yearbook 2013

Figure 42: Estimated five-yearly migration flows from Georgia, 1990-2010

Source: Abel and Sander (2014)

migrants are living are the Russian Federation, Ukraine, USA, Greece, Italy, Spain, and Turkey.

With such a large proportion of Georgians living abroad, remittances play a significant role in the Georgian economy. The most recent available figures indicate annual amounts of remittances to Georgia in excess of 800 million USD, for the years 2010 and 2011, which represents approximately 5% of Georgia's GDP for those years. Data provided by the Central Bank of Georgia on money transfers by country[58] over the years 2010-2014 suggest no

notable impact on money transfers by the financial crisis, nor by the armed conflict in Ukraine. To the contrary, the total amount of money transfers to Georgia increased by approximately 50% over the past four years.

Apparently there is some stigmatization of women migrants, because they would neglect their family duties and also because of a widespread suspicion that female migrants may be involved in indecent behavior. The association with sex work is particularly common for women migrating to Greece or Turkey. However, female emigration has been increasing, reaching 43% in 2012,[59] indicating the pressure on women who feel they have no other choice than to migrate to find an income. As more
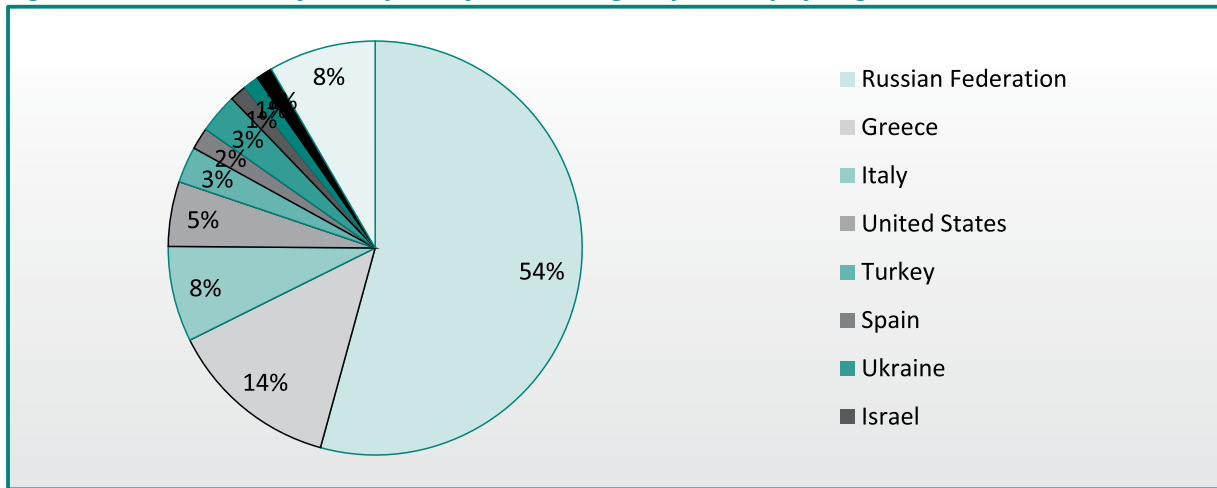
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58   https://www.nbg.gov.ge/uploads/moneytransfers/money_transfers_by_ countries_eng.xls Reflects money transfers to and from Georgia through electronic wire systems (Western Union, Money Gram, Anelik, Unistream etc.). This data is used as proxy for remittances. While the volume is slightly greater than the values reported by either World Bank or the Economic Policy Research Centre (2011 a), its distribution over the different countries is likely to reflect the distribution of remittances.

59   http://www.geostat.ge/cms/site_images/_files/english/press/ Population%20press_30.04%20eng.pdf

Figure 43: Distribution of money transfers to Georgia by country of origin, 2013

Pie chart segments: 54%, 14%, 8%, 5%, 3%, 2%, 3%, 1%, 1%, 1%, 8%

Legend:
- Russian Federation
- Greece
- Italy
- United States
- Turkey
- Spain
- Ukraine
- Israel

Source: Central Bank of Georgia, Balance of Payments 2013

and more women emigrate as a matter of economic necessity such negative views have started to diminish (Hofmann and Buckley 2011).

The key agency responsible for migration registration and *ipse facto* migration management is the Ministry of Justice, through its Public Services Development Agency (PSDA). Amongst others, the PSDA is responsible for residence permits, registration of foreigners in Georgia, issuing emigration permits, registration of births, deaths, and marriages, and perhaps most importantly, maintaining a population register of Georgian citizens and foreigners residing in Georgia.

The PSDA has initiated a number of innovative approaches, ultimately aimed at improving registration processes and thereby better migration management. Some of the key initiatives:

- From 2008, introduction of a face recognition system, aimed at improving the population registration database. The FRS is expected to reduce or eliminate duplicate records and enhance capacities for personal identification.

- Biometric passports were introduced in 2010, which includes fingerprint, signature, and biometric photo.

- In 2011, PSDA started issuing electronic ID cards to Georgian citizens and resident aliens.

The development of the unified migration data information system is a priority for the Georgian government. Its development is part of an EU-sponsored project called ENIGMMA. It is intricately tied in with the Visa Liberalization Action Plan, which effectively will end Georgia's open border policy.

In documents related to EU sponsored projects on migration the term "managed circular migration" recurs frequently[60]. Without going into detail, it would appear that this form of temporary migration is presented as a preferred solution. It may be noted that circular migration has two dimensions. One is "voluntary" and the other is "managed" or "facilitated", which is a euphemism for "controlled". As reported by Kazmierkiewicz (2013) the latter form is referred to in the communication of the European Commission, issued on the subject in 2007 where it is defined "as a form of migration that is managed in a way allowing some degree of legal mobility back and forth between two countries". The term is further elaborated in Fargues (2008) where it reads: Managed circular migration can be characterized as "temporary, renewable, circulatory, legal, respectful of the migrant's right, and managed in such a way as to optimize labor markets at both ends, in sending and receiving countries".

The association agreement between Georgia and the EU is generally believed to promise easier access of Georgian migrants to the EU. In the light of "managed circular migration" this ease of access would appear to apply to those migrants of whom the European Union has a need, and only for as long as that need exists. While the temporary nature of circular migration appears to agree well with expressed interests of Georgian would-be migrants, there is reason for concern on who will do the management of "managed circular migration". Another concern is the implication of "optimizing labor markets". Considering the European labor market, there is reason to fear that "optimizing" it could result in a rather skewed selection of Georgian migrants, possibly exacerbating the already

60 European Migration Network (2010); Fargues (2008); CARIM-East (2012).

present brain drain. In the meantime Georgia is gradually coaxed into the role of a buffer zone in the EU's efforts to protect its borders.

With regards to the data situation it is expected that the 2014 census of Population and Housing will fill a major gap. However, data analysts must take heed of the definitions used to determine "usual residents" and be particularly vigilant with regards to data on absentee household members. As noted, many Georgian emigrants did not seek an emigration permit and remain registered in Georgia. Given this situation, and possible fear of respondents of disclosing actual absenteeism of household members who may be recipients of social assistance, the census data is unlikely to provide a fully accurate account of emigration.

While the census is an essential vehicle to take stock of the population and thus provides benchmarks against which registration systems can be calibrated, its occurrence once a decade is a major drawback, particularly with a phenomenon as dynamic as migration. Population registration systems are the obvious alternative, or rather, complement to the census. By nature, these provide continuously updated information, and even though most registration system lack the depth of information of a census or a survey (not being linked to individual socio-economic characteristics), the very feature of continuously updating makes them extremely useful and, in the long run, a more sustainable data collection mechanisms than either censuses or surveys. However, with regards to population registration the weak part is registration of those who exit the system. Entry into the system, whether through birth or immigration is relatively easy to capture, since those who are present in Georgia need to access services for which registration documents are required. On the other hand, those who exit the system are much harder to capture. In registration of vital events it is common that birth registration is more complete than that of death registration. Similarly, and to a greater extent, emigration registration is typically less complete than immigration registration. Apart from the fact that some emigrants may not seek an emigration permit, there are many who travel abroad without clear ideas on the duration or even objective of their absence. Their departure may be registered by some innovative electronic system, but the duration and objective of their absence will remain unknown, and thereby their status as (e) migrant.

No single registration system can fully address the many complications that arise in the context of registration of migrants. However, a fair approximation of reality may be achieved by exchange of data between (major) recipient countries and with the diaspora themselves. Where residence visa are required for Georgians, such applications would need to be shared with the PSDA, as well as applications for asylum and others which indicate intention towards residency abroad.

4. Return Migration

Contrary to what happens with emigrants from developing countries, who acquire skills abroad that they may apply on return to their home countries, most emigrants from Georgia possess relatively high levels of qualification before leaving the country, but because they work mostly in unqualified jobs abroad, they learn few skills that they may contribute upon their return to the country. In a study on socio-economic problems of returning migrants in Georgia, only 4.7% responded that they had worked in their areas of specialty. Even then, their job levels were typically low, thereby resulting in degradation of their skills. Most others were engaged in low-skilled jobs such as, caregiving, construction or cleaning. Therefore, returning migrants have difficulty reintegrating into the labor market- 46.1% of the respondents stated that they were unemployed (Tukhashvili 2012a: 29, 75).According to another survey, conducted by the European Training Foundation (ETF, 2013), 69% of the highly educated migrants took jobs below and only 23% took jobs corresponding to their qualification level. Among the medium-skilled workers a higher proportion, about 54%, were employed according to their educational level, and 40% took up lower-skilled occupations in their destination countries.

Another challenge apparently faced by emigrants is maintaining their health while abroad. According to a survey of returned migrants, 92% considered their health to be good prior to migration, but only 59% stated that their health abroad was good. About 57% stated that they could not apply for medical assistance abroad, mainly because they could not afford to. Some 44% of the respondents indicated that they had a worse health status when they returned from abroad than before, a factor leading to lower labor productivity and early retirement (Tukhashvili 2012 a: 35-37).

Another problem of return migrants concerns social benefits such as pension contributions accumulated abroad. Return migrants cannot usually bring these benefits back with them. According to

the survey on the data on social security transfers, only 4% of respondents managed to transfer such benefits from abroad (Tukhashvili, 2012 a). Currently, migrants can benefit from universal primary health care and a basic pension. However, one of the issues to be considered in the complete or partial conversion of the pension system to a system of individual capitalization, as currently considered by the government, it would be important to explore the possibility of negotiating bilateral agreements with key receiving countries or, alternatively, a multilateral agreement with the EU to recover some of the pension rights of Georgian migrants accumulated abroad.

The situation of Georgia with respect to national statistics is a rather heterogeneous mixture of positive and negative elements. The country has a long tradition of maintaining administrative data records such as the civil registry, going back to Soviet times. More recently, the administrative data base of the SSA constitutes another valuable source of information on the profile of low-income families in Georgia. Censuses have been conducted mostly every ten years, although at somewhat irregular intervals, as was the case in the Soviet Union (1925, 1939, 1959, 1970, 1979, 1989). After independence, the 2002 census also accompanied the timing of the Russian census. But whereas the Russian Federation had a census in 2010, Georgia will only have its next census in November of 2014. More recently, Georgia has invested in a series of very useful sample surveys, such as the Georgian Reproductive Health Surveys (GERHS) in 1999, 2005 and 2010, the two waves (2006 and 2009) of the Generations and Gender Survey (GGS),[61] the annual Caucasus Barometer Surveys (since 2008), the various panels of the Integrated Household Survey, as well as several surveys carried out by UNICEF, such as the MICS (2005), the Georgia WMS (2009, 2011) and the Survey on Adolescents and Youth in Georgia (2013). Georgia also participated in the World Values Survey in 1996 and 2008. All of this has created a considerable range and depth of socio-demographic statistics available for research and planning.

In recent years, GeoStat has also made substantial investments in upgrading its level of technical and managerial competence and in complying with international statistical norms, particularly those of the European Union. The National Strategy for the Development of Statistics in Georgia 2011-2014,[62] prepared with the help of the World Bank, has carried out a thorough analysis of strengths and weaknesses of the national statistical system, resulting in a coherent vision to address the issues. Inter alia, it points out improvements in the quality and coverage of economic and financial statistics demonstrated by reaching the IMF's Special Data Dissemination Standard in 2010. The overall score for Georgia on the World Bank's statistical indicator (available since 2004) has increased from 77 (out of a maximum score of 100) in 2004 to reach 94 in 2010, 2011 and 2012, slightly falling to 92 in and 2013. The decrease in the overall measure seems

61 Due to financial constraints, a third wave of the GGS, which had been planned, could not be implemented.
62 http://www.geostat.ge/cms/files/NSDS%20Geo%20Eng.pdf

Socio-Demographic Information as an Instrument of Analysis, Policies and Empowerment

to be due to one element, "periodicity and time-lines".[63]. In 2013, the results of the Adapted Global Assessment (AGA) of the National System of Official Statistics of Georgia were published,[64] as part of an EU-funded project on global assessments of statistical systems of candidate and potential candidate countries. It highlights the progress made since independence in developing a modern statistical system with competent and engaged staff and management and makes comprehensive recommendations regarding the infrastructural environment such as quality of sampling frames, accommodation, and staffing, legislation and institutional set-up.

Nevertheless, the national statistical system in Georgia also suffers from the painful inheritance of the transition from socialism to market capitalism, as well as several traumatic events that occurred during the first years of independence and that affected the organizational integrity and efficiency of the system. Some of these problems are well known. As was mentioned in section II.1, GeoStat does not publish any economic data prior to 2003 due to the inevitable difficulties of matching the disparate criteria of national accounting under socialism and in a western-style market economy. Georgia has also found it difficult to have a good measure of its migration flows. Due to the lack of incentives for emigrants to register their departure, the number of undocumented migration constitutes a major problem. Furthermore, the statistical record of migration in Georgia was disrupted during the years of economic and political instability, which further exacerbated data unreliability (Tukhashvili, 2012 b). Less inevitable, but also well-known are the difficulties of determining and coding causes of death which have greatly increased during the past decade – to the point where these data have become virtually useless for planning purposes - and which the NCDCPH is currently trying to address as a matter of urgency. There is also a long-standing under-reporting of abortions in the country, although the results presented in section III.2 suggest that the situation in this respect has been improving to some extent. Another, perhaps less important example is the classification of fertility data by level of education of the mother which the TransMONEE data base of UNICEF no longer reports after 2008 because of the incompatibility of the educational categories with international standards and which – even in 2008 – is characterized by a very high (39%) per-centage of cases in which the educational level of the mother is unknown.

There is widespread recognition of the fact that vital statistics in the first two decades of independence have accumulated a series of problems that make it difficult to use this information for demographic estimation purposes. Until 1995, official vital registration statistics were compiled through the civil registration system. In 2003, a dual system was implemented and official birth counts were obtained by matching births registered in civil registration offices against those registered by health services. A new agency for counting vital events was created in 2009. Nevertheless, GeoStat continues to use this information, for lack of a viable alternative, to compute the population size of the country and its sub-national territorial units. Since the last census was in 2002, the current population estimates at the national and local level accumulate errors over a 12-year period, making them highly unreliable. It is hoped that the reforms introduced in 2009 will lead to a significant improvement of the quality of the registration of vital events. In the case of birth registration, there is some evidence that this is indeed happening, namely the ascending sequence of registration rates between the 2005 MICS (91.9%), the 2005 GERHS (92.9%), the 2010 GERHS (97.3%) and the 2011 WMS (98.5%). Nevertheless, the recent increases in numbers of registered births seem to represent a real trend. It is only after the results of the 2014 population census are known that it will be possible to make a more precise assessment of the extent of the registration problems in the period since 2002.

While it is more or less accepted that the birth and death registration data of the civil registry are subject to significant errors, a more surprising finding of the present study is that there also seem to be major insufficiencies in the registration of marriages. The very high incidence of illegitimate births, especially considering the high value that Georgian culture places on traditional marriage and family values, is unexpected and probably indicates problems in the civil registration data, particularly in the period from 2001 to 2007, but even today. Even regarding an issue such as unbalanced sex ratios, the evidence is not entirely consistent, and depending on which data source is used, there is still room for arguments as to whether the phenomenon is real or an artefact of deficiencies in the registration system. Data from the 2002 census, the 2005 GERHS and civil registration data by birth order seem to suggest that the problem

63 http://bbsc.worldbank.org/bbsc/SearchEngine?parameter=byCountry
64 http://www.unece.org/fileadmin/DAM/stats/documents/technical_coop/GA_Georgia_EN.pdf

is real, but the 2013 Integrated Household Survey actually found more girls than boys under age 1.

To some extent, the known deficiencies of the civil registration system have been neutralized by the introduction of a series of surveys that provide more reliable estimates of demographic indicators that would normally be estimated through civil registration data. In particular, the quality of the birth registration data can be assessed with the help of data from the Reproductive Health Surveys (GERHS). This has helped to confirm, for example, that the apparent rise of fertility since 2008 is real and not just due to changes in the quality of registration data. In a sense it is unfortunate that Georgia chose the CDC reproductive health format instead of the DHS format which pays more attention to the establishment of basic demographic parameters. The latter might have helped to shed more light on some basic data issues with respect to fertility and mortality which currently give rise to ambiguities regarding the interpretation of the results, e.g. with respect to sex ratios at birth. In addition to the GERHS, the range of reliable statistics on demographic and health issues in the country has also been reinforced by the two rounds of the GGS (in 2006 and 2009) and by the RAMOS carried out in 2008. However, the fact that the last census is now 12 years old and that statistics on births, deaths and especially migration are unreliable does imply some challenges for the definition of appropriate sampling frames for surveys, and consequently the results are subject to greater margins of uncertainty than would be the case if a more recent census were available.

In addition, there are some inconsistencies between the data derived from different surveys and between survey and administrative data other than civil registration. In particular, there are major contradictions between the GERHS and the GGS regarding the future fertility intentions of women and unmet contraceptive needs. There are also major differences between the income data of UNICEF's WMS and those routinely published by GeoStat. The same is true of the WMS data on TSA beneficiaries and the official data managed by the SSA. As a result, and despite the existence of multiple data sources for analysis, it is often difficult to come up with a consistent interpretation of the socio-demographic situation in the country. Even indicators as basic as the total population size of the country or the current level of fertility are subject to considerable uncertainty, as was shown in section III.1. To a large extent, such uncertainties are due to the fact that the capacity of the country

to analyze data has not expanded at the same rate as the accumulation of new data bases. More use could be made of the micro-data of the GERHS and in particular, more effort should be made to reconcile the contradictions between these and other data. This will require more training in demographic analysis and investments in the constitution of a new generation of local population experts. This means further development of education and career paths for experts in demography and statistics. At present, the number of professionals in this area is small and their influence on policy-making is very limited, as evidenced by the fact that the new policy on stimulating the birth rate was apparently not informed by an up-to-date analysis of recent demographic trends in the country (see section III.6).

1. Gender Inequality Basic Issues Regarding Inequalities in Georgia

Speaking in general, gender equality in Georgia still has a long way to go, even though the situation differs markedly between different dimensions of gender equality. Bendeliani (2013) analyzed the situation in terms of some well-known international indices and their corresponding rankings of countries. Among them are the Gender Gap Index (GGI) of the World Economic Forum, the Social Institutions and Gender Index (SIGI) proposed by OECD, and the Women's Economic Opportunity Index (WEOI) of the Economist Intelligence Unit. Georgia's rank among 135 countries for which the GGI was evaluated in 2012 was 85th. In terms of the 2012 SIGI, Georgia was ranked 60th among 86 countries. The 2012 WEOI placed Georgia in 59th place among 128 countries. This is the only index on which Georgia performs better than average. The other two indices place it unfavorably compared to the majority of countries with which it was compared.

All the indices mentioned in the previous paragraph are multi-dimensional to some extent. Rather than looking at the aggregate score, therefore, it may be more illuminating to assess how Georgia performs on the separate dimensions of gender equality. Gender equality in Georgia is found to be more positively evaluated if the conditions are measured by rights and means guaranteed by formal institutions rather than by women's empowerment or by the ratios of women to men in the

economic and political spheres. They are also better when measuring formal policies than in terms of actual results. According to the GGI, the widest gender gap is observed in political participation.[65] It also shows considerable disparity in terms of economic participation and opportunities. However, the educational and health dimensions reveal only minor gender differences. Progress in Georgia in recent years, according to the GGI, has been slower than in other countries and as a consequence the ranking of the country has deteriorated. The SIGI identifies civil liberties and the existence of marked son preference as the areas in which gender inequalities in Georgia stand out. Domestic violence is also mentioned as a serious challenge. The influence of institutions on women's political participation is not considered significant, but the absence of quota for numbers of women representatives is considered a serious problem. Informal family norms, such as the exercise of parental authority, are considered to considerably restrict women's opportunities in Georgia. The report also identifies problems of access to property (other than land), inheritance, and access to public space. The WEOI ranks Georgia relatively highly in terms of women's legal and social status and with respect to formal labor policies, but the country scores rather low on access to finances[66] and the actual labor conditions of women.

Educational levels in Georgia are slightly higher for women than for men. According to UNICEF (2014), 46.8% of women over age 15 have at least secondary or secondary vocational education, whereas only 41.6% of men over age 15 do. This educational advantage does not, however, translate into an advantage in the labor market. The average monthly wage of female employees in 2012, according to GeoStat, was 517.9 GEL in 2012, compared to 859.8 GEL for men. This is a 40% difference. It is true that the wage gap has narrowed slightly over time. Around the turn of the century, women on average received only half the wage of men. Nevertheless, the pace of improvement has been slow and at this rate it will still take several decades for the gap to close.

In the period between two waves of the GGS (2006 and 2009), the proportion of employed young people, especially women, has increased. But this increase did not cause the proportion of unemployed persons in Georgia to decrease. The share of unemployed young men and women under 35 has actually increased during the past three years (from 31.8% to 35.2% and from 24.5% to 25.5% respectively). According to the results of the Generations & Gender Survey the increase in the number of employed young women has taken place due their leaving home to go to work (proportion of housewives has gone down from 39.3% to 35.5%) and for the young men – mainly due to the reduction in the number of students (from 7.9% to 2.5%).

According to the GGS report (Badurashvili et al., 2011) the conditions of women' employment in Georgia is a critical factor as it relates to reproductive behavior. Only 22.7% of employed women are allowed to choose flexible time arrangements; only 58% of employed women are currently entitled to sick leave and only 65.6% have paid vacation time off. The greatest inequality between partners in Georgian families, according to the GGS, is the time each partner can spend at a paid job. Georgian men can unilaterally decide how much time to devote to a paid job. Women more often have to take into account their partner's opinion concerning her job arrangements: the gender asymmetry index for the process of decision-making concerning time that a woman can spend at her job, calculated on the basis of answers of male respondents, equals (–0.8), and on the base of female respondents – (1.1). The difference between the value of the index calculated on the base of information obtained from female and male respondents implies that some men do not acknowledge that they interfere in their wives' employment issues.

Considering all household tasks together, including those activities which are basically the prerogative of men (e.g. repairs in and around the house), the GGS found that the man's share in the performing of household duties in Georgian families is very small and does not exceed 24%. But more than 70% of both men and women are satisfied with the task division as it is. So, this is a part of socio-cultural context, too. As for involvement in raising the children, both men and women are more involved. However, most of the tasks are still assigned to mothers (Kachkachishvili and Nadaraia, 2014). Comparative analysis of the results of the 2006 GGS with similar surveys in six countries shows that Georgia is distinguished by a high level of gender inequality between parents for child care. Two things are noteworthy in this respect: (1) Georgia has the highest gender inequality level among the countries studied and (2) the index of

65 Most GGS respondents (75% of men and 55% of women) in Georgia agree with the statement that a man is a better political leader than a woman, compared to only 13.3% in a similar survey in France.

66 The 2009 GGS, however, found that in 61.7% of the cases decisions about household budget allocation were taken jointly by husbands and wives, with 20.8% of male dominance and 15.3% of female autonomy or dominance, thereby indicating a relatively low level of gender inequality.

gender asymmetry in performing child care tasks in Georgia is twice higher than in the distribution of household duties between partners, whereas in all other countries under consideration these two indexes practically do not differ from each other. The survey results show that despite gender inequality in Georgian families, spouses are in general quite satisfied by their relationships with their partner, although the men are slightly more satisfied than women: the average value of satisfaction with partner relationship in the male sample is 9.1 and for the female - 8.7.

Traditional ideas about gender roles are still quite strong, even among the younger generation, as is illustrated by the following opinions expressed in a recent survey conducted by UNICEF (2014) among 15-29 year olds.

authorized to take relevant measures in case of violations of gender equality.

2. Gender-based Violence

Gender-based and domestic violence have been stigmatized topics in Georgia with some improvements observed in recent years that was reflected in improved legislation, policies, and services for the violence victims.

The 2013 UN Women study - Perceptions and Attitudes towards Violence against Women and Domestic Violence (UN Women, 2013), investigated attitudes of citizens in Tbilisi and selected regions of Georgia (1500 respondents, women (65%) and

Table 17: Distribution of youth by responding on each view concerning gender roles

	Disagree		Agree	
	Women	Men	Women	Men
Main duty of a man is to provide financial support for the family	11.3	9.5	79.5	84.2
Main responsibility of a woman is to raise children	22.4	14.7	64.1	74.5
Granting rights to women means that men lose their rights	71.7	61.3	13.7	21.7
Equality between women and men has already been reached	39.9	35.6	31.3	37.1
To make final decision on important matters for a family is up to a man	29.5	12.4	47.8	69.8
Only women are responsible to protect themselves from unwanted pregnancy	62.6	47.5	14.1	19.6
Women have to endure physical abuse in order to preserve the family	87.0	78.6	8.8	13.2
Women have to endure regular psychological abuse (verbal abuse, threats, blackmail) in order to preserve the family	90.4	82.7	6.1	8.7
It is acceptable for a boy to have sex before marriage	22.2	14.6	56.1	73.5
It is acceptable for a girl to have sex before marriage	84.1	81.1	5.6	8.6

Source: UNICEF (2014): Table 4.5

The Law of Georgia on Gender Equality was adopted in 2010, establishing fundamental guarantees of equal rights, freedoms and opportunities of women and men. The Parliament and the Gender Equality Council (established by the Parliament) are responsible for ensuring compliance with the provisions of the Law. The Council developed an Action Plan for Gender Equality which originally covered the period 2011-2013; a new version was adopted by Parliament in January 2014. The Council is mandated to review existing and new legislation and draft proposals for overcoming gender inequalities it may contain. It should elaborate and plan activities to achieve gender equality, and elaborate and implement the monitoring and evaluation system of activities targeted at ensuring gender equality. The Public Defender of Georgia is

men (35%) of 18 to 80 years) towards violence against women. According to the study violence is considered a violation of human right and 78% report that it happens very or quite often. Fifty one percent of respondents believe that women are more often victims than men, and 12.8% of both women and men think that men have superiority over women in Georgia. The majority of respondents (57%) consider all types of violence against women and domestic violence a crime. The respondents consider physical abuse as the most severe form of violence (97%), followed by sexual violence (94%), restriction of relationships (91%), restrictions on mobility (89%), economic control (89%) and verbal abuse (83.5%). This study indicates a positive trend compared to earlier studies, as respondents increasingly perceive violence as a

criminal offence, rather than a family matter. According to the current study only 25% believe that domestic violence is a family matter compared to 78% in earlier studies (UNFPA/ACT/CSS Research on Domestic Violence against Women in Georgia 2010), and only 17% justify violence in certain cases compared to earlier 34%. Study compares these data with the results of studies in 26 countries (Perotti, 2013), which indicates that there is more intolerance of violence in Georgia; Seventy seven percent do no justify violence by any of the selected five reasons compared to the worldwide figure of 51 percent.

The earlier 2010 UNFPA study National Research on Domestic Violence Against Women in Georgia showed that women usually don't acknowledge being victims with only 6,9% reporting experience of physical violence, and 3,9% report sexual violence. However other forms of violence have been reported including emotional violence, (14%) and acts intended for controlling (35%). Among ever married women every 11th women is a victim of physical abuse, with the biggest number in the 45-49 age group.

The GERHS2010 data also provide valuable information on the experience of domestic violence in families and attitudes of women. Overall only 5% of women experienced physical and/or sexual violence while verbal abuse was more common (15%). Higher prevalence of recent physical violence was reported by young women of 15-19 years compared to older women. In addition, 8% of respondents reported abuse between their parents and, 8% recalled being abused by their parents during childhood. Almost 30% of abuse victims did not disclose their abuse experience and those who did, only spoke with a family member or a friend; only 5% reported abuse to police and 3% sought medical care. One of the interesting findings in the 2010 GERHS was women's attitude towards abuse justification. Twenty percent of ever married women agree that wife-beating is justifiable in a least one of the circumstances, most commonly in the case of the wife's infidelity.

The UN Women study (2013) found a substantial difference in attitudes among respondents over 60 and younger age groups. Older respondents are much more tolerant to violence, considering it as a family matter rather than a criminal offence, and are less informed about its causes and consequences. The tolerance towards violence is much lower in the younger age groups of 18-30 years. Higher intolerance is also associated with the educational level.

There are still alarming problems such as a high number of murder cases of women by former partners/husbands – 21 cases reported in 2013 with 16 cases reported through July, 2014. Thus the data indicate that despite the improvement in attitudes, the reluctance to disclose abusive relationships and 20% of women justifying abuse under certain conditions indicates that further measures are required to address the issue. The government in collaboration with international partners and civil society organizations aims to accelerate efforts to combat gender based violence, taking further steps such as signing the 2011 Convention of the Council of Europe on preventing and combating violence against women and domestic violence. However bigger effort targeting gender equality is needed that will contribute to reduction of gender-based violence in the country.

The GGS 2009 revealed that the level of depression for young Georgian women has increased during three year period between the two waves of the survey. Nevertheless, suicide rates among 15-19 year olds in Georgia are well below the average for the Central and Eastern European countries and the CIS, according to UNICEF's TransMONEE data base; in 2011, only Azerbaijan registered lower rates.

Georgia made substantial progress in improving its legislative framework and organizing services for prevention and management of gender-based violence. There is a growing intolerance of gender-based violence in the society, manifested in changing attitudes towards domestic violence according to the study, with increased understanding that violence against women not only causes physical and psychological harm but also has serious damage for women's participation in public life. Since 2006, the government has issued several laws including the Law of Georgia on Prevention of Domestic Violence, Protection and Assistance of Victims of Domestic Violence, followed by several other legislative changes aimed at prevention and protection of victims. A special federal agency – the State Fund for Protection and Assistance of Victims of Human Trafficking (State Fund) – was established in 2009 under the MoLHSA umbrella and is mandated to implement national policies in support of victims of trafficking and violence, with categories of violence further expanded to include domestic violence, sexual violence and violence against people with disabilities, elderly and other vulnerable groups. In addition, the Inter-Agency Council Implementing Measures to Eliminate Domestic Violence in Georgia (DV Council) has been

Figure 44: Agreement with selected justifications for wife-beating by experience of physical abuse among ever-married women aged 15–44 years
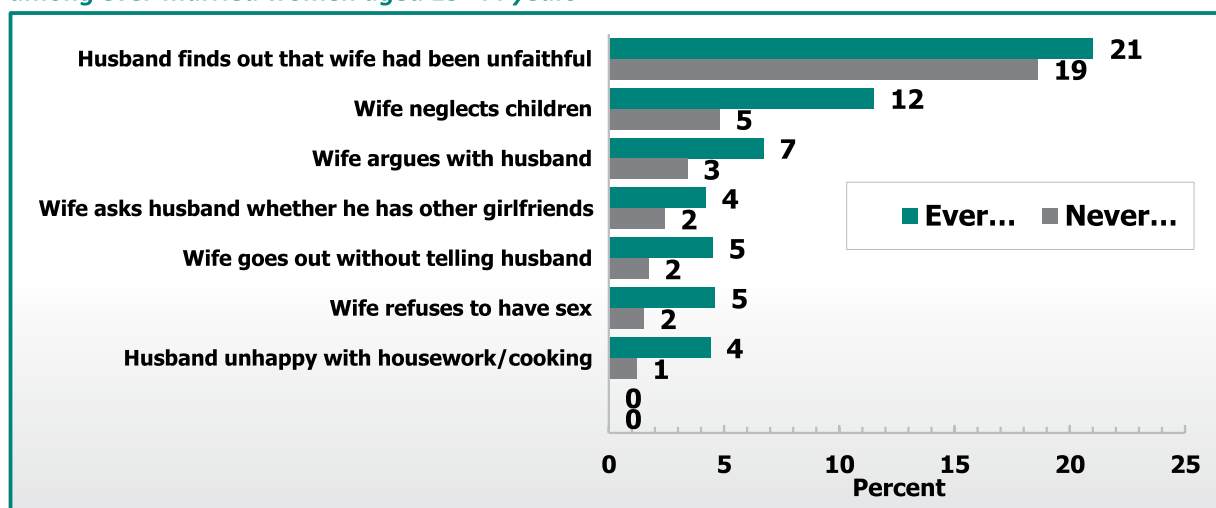
Source: 2010 GERHS

established in 2008, as a policy-making body in the area of elimination of domestic violence and protection and support to the domestic violence victims/survivors tasked with the coordination and monitoring of the government agencies, also including a number of civil society organizations as observers.

With the support of international assistance programmes and in partnership with local non-governmental organizations, the government conducted a series of trainings and capacity building activities, in particular, in the Ministry of Internal Affairs to ensure that law enforcement services are better prepared to address cases of domestic violence and gender-based violence. Despite the progress, further efforts are required to improve police responsiveness and methods to identify domestic violence cases.

The domestic violence legislation was further strengthened in June, 2012 when the Parliament of Georgia criminalized domestic violence with special amendment to the Criminal Code of Georgia. In addition work is underway with participation of NGO sector for the improvement of Criminal Code definitions related to rape.

The State Fund's mandate has been further expanded to provide shelter, medical and psychological assistance, legal aid and rehabilitation services to the victims of sexual violence, domestic violence and trafficking. With the support of UN Women, special services were established, and the State Fund now operates one hotline and two shelters in Tbilisi and Gori. In addition UN supports shelters in Kutaisi and Kakheti regions that are expected to be transferred to the State Fund operations from 2015 with full government funding. Nearly 3500

women and children received services though these shelters and the hotline consultations in the 2010-2013 period. In addition the State Fund operates two shelters for victims of human trafficking in Tbilisi and Batumi, having served over 50 women victims of human trafficking.

Additional activities are underway to prepare ratification of the Istanbul Convention on Prevention and Combating Violence against Women and Domestic Violence. UNFPA supported MoLHSA in the development of the Recommendations for the Health Care Providers on Revealing, Referring, and Documenting the Cases of Physical, Sexual and Psychological Violence against Women and Children aimed to improve the country's response to all forms of violence against women and its compliance with the Istanbul Convention.

3. Sex Ratio Imbalances

During the last ten years, conflicting evidence has emerged about a possible excess in the proportion of male births in Georgia, Armenia and Azerbaijan, primarily by the number of parents resorting to sex selective abortions to avoid female births. In the case of Georgia, the evidence is still incomplete due to two main factors: absence of corroborating evidence of the frequency of selective abortions derived from field studies, and lack of reliable statistical analysis. In particular, the deficiencies of birth registration data make it difficult to obtain a clear picture of excess male births over the last two decades. This has led some Georgian experts to consider that fluctuations in the sex ratio at birth are mostly due to estimations errors and

other poorly explained phenomena rather than to sex selection. The following facts would seem to support this position:

1) The sex ratios of the birth registration data vary wildly by year, with a peak of 1.277 in 2008, during the armed conflict with Russia, when registration is likely to have been particularly bad, to a low of 1.045 in 2009, which may be due to a disproportional late registration of girls born in 2008. In general, however, deficient registration seems to be associated to high sex ratios.

2) If the completeness of birth registration in 2012 was indeed 98.5%, as estimated by the WMS, and if all the unregistered births were girls, the actual sex ratio at birth would be 1.061, rather than 1.094.

3) Under-registration of girls has a long history in Georgia. In 1894-98 in Tbilisi Province, long before the early diagnostics of sexes, there were 114.6 boys per 100 live-born girls.

4) Skewed sex ratios are also found among population groups that would be extremely unlikely to have a sex-selective abortion, such as first-time mothers over age 40 (Tsuladze et al., 2002).

5) The 2013 Integrated Household Survey found only 225 boys under 1 year of age, against 275 girls. The 2010 GERHS, on the other hand, found more boys than girls in the youngest age groups.

6) On the face of it, few of the socio-economic factors (e.g. dowry, dependence of couples on old-age support from sons, low socioeconomic status of women, etc.) that contribute to sex selection in the countries where this practice has been most firmly established seem to exist in Georgia (Das Gupta, 2014).

7) Post-neonatal mortality rates in countries practicing sex selection are usually higher for girls than for boys, as poorer parents, who do not have access to selective abortion technology, neglect the health of girls. In the GERHS, this phenomenon can only be observed in the 2005 round, but the 1999 and 2010 GERHS show higher (in 2010 even much higher) survival rates for girls (Das Gupta, 2014). The civil registration data show a rather erratic pattern, with a lot of oscillations, but on the whole the sex ratio

of post-neonatal mortality between 1995 and 2012 was 1.21, with only 4 years in which it fell below 1.

However, despite such findings to the contrary, most indications are that the skewed sex ratio in Georgia since the early 1990s is a real phenomenon and not merely a data issue. Badurashvili, Vallin and Meslé (2007) and Duthé, Badurashvili, Kuyumjyan, Meslé and Vallin (2010) have pointed out several years ago that the recurrence of high sex ratio at birth found in both demographic surveys and in civil registration data provide ample evidence of prenatal sex selection in the country. Today it is also possible to form a better opinion of the situation by using a set of various indicators such as estimates derived from the 2002 census, original and reconstituted birth registration figures as well as more recent demographic surveys such as the 2010 GERHS.

One such source of data is based the child population recorded during the 2002 census. The black line ("ALL") in Figure 45 below shows the estimated sex ratio at birth according to the year of birth (after correction for mortality differentials). It points to a sex ratio at birth fluctuating around the biological level of 104-105 male births per 100 female births during the period 1985-1991. Yet the sex ratio tends to increase significantly afterwards and reaches a level close to 112 on the eve of the 2002 census. This is a level significantly above the natural sex ratio at birth and there is no reason to believe that any other factor (biological or statistical) may have artificially caused such an increase in birth masculinity.

The blue line in Figure 45 ("no brother") shows the increase in the sex ratio of children after a sequence of female births. In countries such as India or China where the presence of sex selection is well-established, the absence of brother is known to exacerbate the probability of prenatal sex selection as parents try to avoid the birth of any additional daughter through selective abortions. This is indeed what the curve in our Figure shows. The sex ratio of births following the birth of daughters appears extremely skewed and exceeds 135 male births per 100 female births prior to the census year. The curve also demonstrates that the increase coincides with the increase in the sex ratio of all birth after 1991. It can be further shown that the rise in the overall sex ratio at birth is almost entirely due to the increase observed in sonless families among children of parity 2 or higher. This confirms that this is not a spurious increase induced by biological factors or measurement issues. The

Figure 45: Sex ratio at birth by year, all births and births of parity 2+ with no previous male births
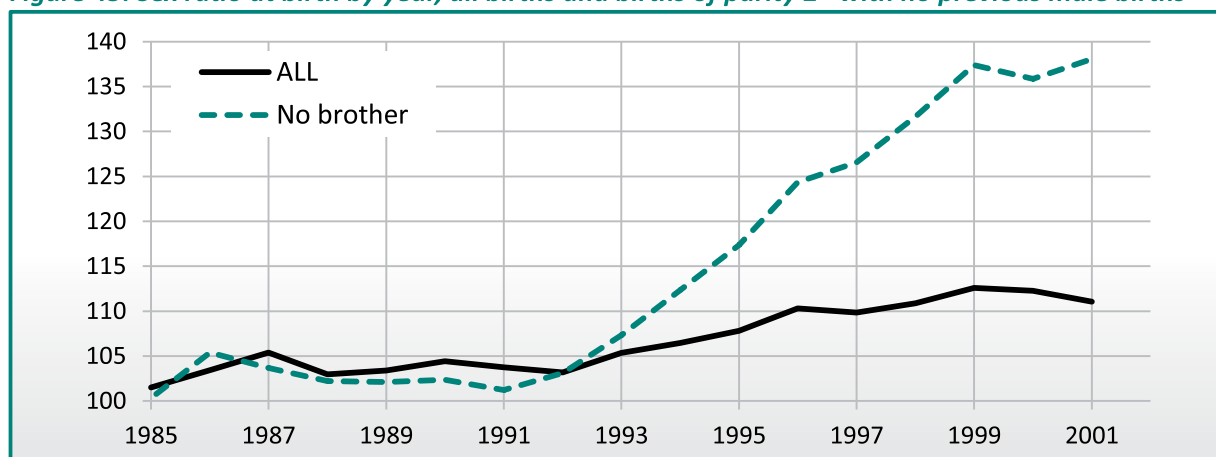
Source: Guilmoto, 2014

rise reflects concerted efforts by couples to avoid an excess of female children.

In the period from 2002 until 2012, the civil registration system has registered 307,523 male births, but only 276,014 female births, implying a sex ratio of 1.114. The most recent data, which are likely to be most accurate, suggest sex ratios at birth of 1.078 in 2013. The annual data suggest also that the sex ratio at birth may be declining in Georgia over the recent period and has been below 110 male births per 100 female births for several years. While this is a sign of a potential "transition" towards the natural SRB level, it is still too early to assess whether this decline will persist.

When computed by birth order, the vital statistics on births in recent years look as follows:

First Order	Second Order	Third Order	Higher Order
2004	0.959	1.306	1.427
2005	1.090	1.095	1.447
2006	1.071	1.118	1.141
2007	1.064	1.106	1.374
2008	1.250	1.238	1.516
2009	1.003	1.033	1.259
2010	1.035	1.066	1.284
2011	1.087	1.049	1.254
2012	1.094	1.063	1.176
2013	1.059	1.044	1.220

This shows that, even though the overall SRB has declined in recent years, it is still high for third and higher birth orders, which is where one would normally expect a higher proportion of sex-selective abortions. The main factor behind high sex ratio at birth remains the birth order and the absence of prior male births. In particular, it should be noted that 1) a very large proportion of parents with two

daughters tend to have a third child compared to those who already had a son and 2) this third child displays an extremely skewed sex ratio at birth that is often above 200 male births per 100 female births.

The 2005 GERHS yielded a sex ratio at birth of 1.22 (Duthé et al., 2012). The corresponding number for the 2010 GERHS was 1.17, but this increased to as much as 1.61 in the case of third and higher birth orders. Another relevant fact from the 2010 GERHS is the number of boys and girls of the second birth order, depending on whether the first-born was a boy or a girl. In the case where the first child was a boy, 122 of the second births were boys and 135 were girls. But in the case where the first child was a girl, 144 of the second births were girls.[67] Despite the relatively small numbers, this finding is interesting because it suggests that sex-selection is not a unidirectional process and that in some cases parents may actually manipulate the outcome of a pregnancy in order to guarantee at least one girl, as well as a boy.

The 2010 GERHS also indicates that 1.4% of the abortions carried out by women during the 5 years preceding the survey was due to the sex of the foetus. If all these abortions were of female foetuses, it would be sufficient to raise the sex ratio from 1.05 to 1.08. Unfortunately, the 2010 GERHS does not specify how many of the abortions due to the sex of the foetus aborted female foetuses and how many aborted male foetuses, so the effect on the sex ratio at birth cannot necessarily be inferred. In over-all terms, however, there is clearly a preference for boys. The desired sex of the only child was a boy for 46% (only 9% answered "a girl", the rest said it did not matter) of the population in 2010, with Azerbaijanis less concerned about it

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67 *These numbers do not include twins.*

(CB, 2010). The considerations for preservation of lineage, peculiar for patriarchal societies should be the reason for that.

There are further regional and social differentials within Georgia (ethnicities, rural-urban, mkhare etc.), pointing to variations in discriminatory practices across provinces and social groups. Yet, there seems to be no single sub-population immune to SRB levels above normal.

Das Gupta (2014) attributes the increase of sex ratios at birth after independence to the hard times that befell the country in the transition period and the tendency to rely on traditional values in such circumstances. Unlike some other countries with strong son preference in the region, sex selection in Georgia is facilitated by the fact that that access to abortion in the country has been easy since Soviet times. Another factor that has certainly contributed to the rise of sex-selection practices is the declining birth rate which implies that parents now have fewer chances to have a child of the desired sex by chance than in the past.

Sex selection directly proceeds from the strong level of son preference observed among Georgian families. In itself, it is a strong indication of the low value of women in a given country and their poor status. It is to some extent the most discriminatory method applied towards unborn women. Its presence in Georgia suggests that gender equity is very incomplete in spite of rapid changes in social norms and economic conditions since Independence. It is most probably the result of the persistence of gender-biased institutions against which recent political and social transformations have had little impact.

In addition, the inordinately high proportion of male births resulting from prenatal sex selection will cause a lasting surplus of men in the country, a feature rarely observed in European countries where women tend to predominate because of their lower mortality rates. Combined with migration, this surplus of males will be especially felt among young adults. Demographic forecasts suggest it may result in the future in a marriage squeeze preventing young men from finding local brides. At the same time, a rapid return to normal sex ratio levels in the future would reduce the overall impact of currents sex imbalances at birth.

The level of awareness of sex imbalances at birth is still very low in Georgia, with only a few mentions in the press since the report of Council of Europe released in 2011. No single scientific study has been devoted to this topic. Along with Azerbaijan,

Georgia is probably the only country where sex selection has passed somewhat unnoticed in spite of being present for almost 20 years. Government authorities have therefore not yet adopted a clear stand on this issue and civil society organizations have remained almost passive.

Sex selection is an area in which governments have often been hesitant to intervene for want of statistical confirmation. Moreover, countries already mobilized against sex selection are still experimenting with various policy options (regulations of sex selection, campaign on gender equity, changes in gender legislation, support extended to parents of daughters etc.), with no magic bullet solutions in view for solving the issue. Yet information from studies sponsored by UNFPA and the World Bank will soon bring additional information on the extent of the sex imbalances and its main causes, and will offer policy recommendations.

1. Youth Education

Due to the fact that the last census in Georgia took place in 2002 (the next census is planned for November of 2014), the current structure and population size is not known in detail. The World Youth Population Data Sheet 2013 of the Population Reference Bureau estimates youth ages 10-24 at 19% of the total population. This is the same percentage found in the projections underlying Table 6. According to GeoStat, the total population is 4,483,800 and those aged 15-24 number 648,000 (14%), compared to 13.5% in the projection underlying Table 6.

Despite high enrollment and literacy rates (see section II.4.c), the Committee on the Rights of the Child expressed concern about the progressively higher dropout rates in later stages of schooling in Georgia, particularly in rural areas (UNICEF, 2011).

The figures below give an overview of the most relevant indicators.

The 2010 GERHS reported a Net Attendance Ratio of 86%. Nine per cent of 12-16 year olds were still in primary school (especially 12 year olds, accounting for 34%). Girls are more likely to attend secondary school than boys (88% as compared to 85%). The Gender Parity Index for Secondary School is 1.02.

Poor and ethnic minority children are more likely to start secondary education late and drop out early. The GERHS pinpointed Kakheti and Mtskheta-Mtianeti as areas with the highest non-attendance rates. Boys in the bottom wealth quintile are significantly more likely to have dropped out of school than their peers in the highest wealth quintile. Wealth status does not seem to have an impact on levels of school attendance amongst girls. However, the 2010 GERHS reveals that attendance is 91% for Georgian girls, 85% for ethnic Armenian girls and 65% for Azeri girls.

According to the World Youth Population data sheet 2013 of the Population Reference Bureau, the percentage of out-of-school adolescents lower secondary 2005/2011 is 16% for girls and 10% for boys.

Although school attendance rates are high, the same does not necessarily apply to the quality of education. The PISA Plus Report of 2009[68]

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68 PISA "is an international study administered by OECD which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students.
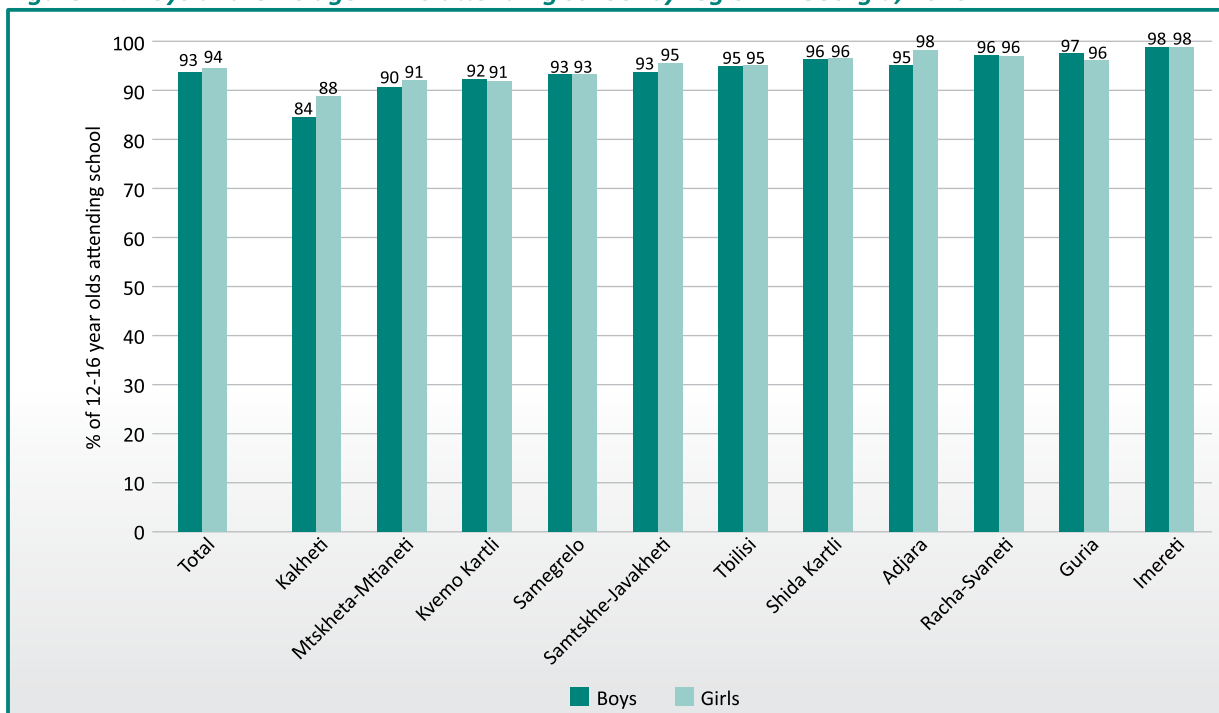
Adolescents and Youth and Their Emergence as a Priority Group

Figure 46: Percentage of boys and girls, aged 12-16 years, attending school by wealth status in Georgia 2010
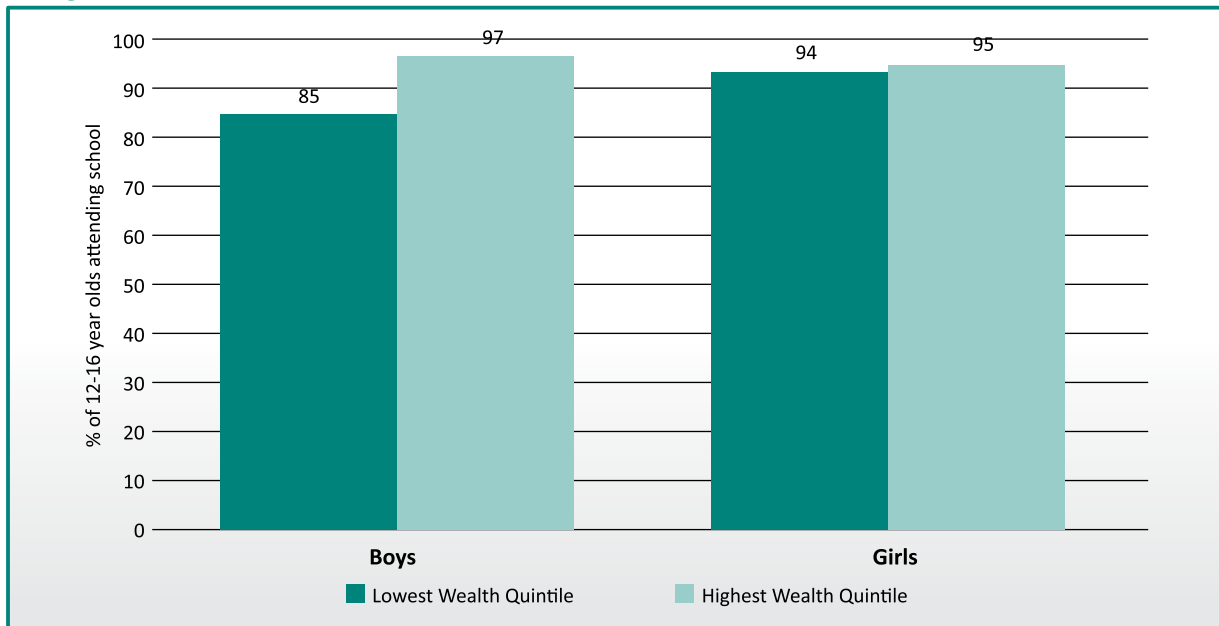
Source: GERHS 2010

*Figure 47: Boys and Girls age 12-16 attending school by region in Georgia, 2010*

Source: GERHS 2010

showed that only 38% of students in Georgia are estimated to have a level of proficiency in reading literacy that is at or above the base line level needed to participate effectively and productively in life. The majority of students therefore perform below the baseline level of proficiency in reading. In mathematics, more than 40% of students are unable to answer familiar context questions, identify information and apply simple procedures. Only 31.2% of students are proficient in mathematics at least to the baseline level at which they begin to

demonstrate the kind of skills that enable them to use mathematics in ways considered fundamental for their future development. As regards science, only 34% of students are proficient at least to the baseline level at which they begin to demonstrate the science competencies that will enable them to participate actively in life situations related to science and technology. Across all PISA and PISA+ countries, Georgia has one of the largest gender gaps in reading. In Georgia, girls outperformed boys on PISA tests by an average of 61 score points

Figure 48: Number of pupils dropped out (primary and secondary school)
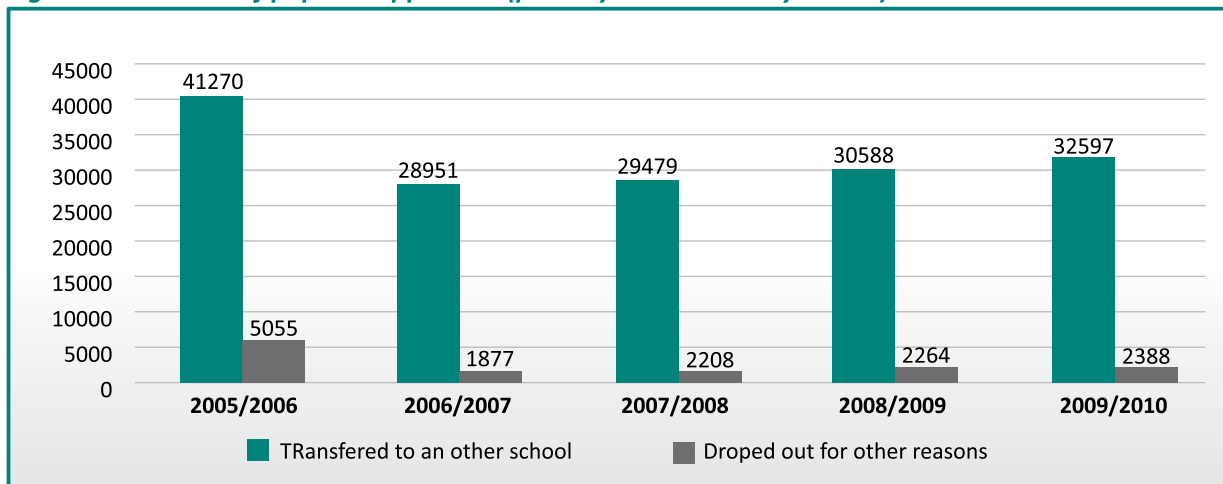
Source: Statistical Yearbook of Georgia 2012

in reading. The difference between girls and boys is significant in science and in reading, but not in mathematics, where boys and girls perform similarly. In the final model, the gender coefficient is -31.8 when controlling for other variables. This gap is the equivalent to the difference to almost an entire school year, according to the OECD estimate of 39 points (2009). In spite of these low levels of proficiency in reading, mathematics and science, Georgia has some of the lowest levels of differentiation between schools. This means that there is little educational inequality among different schools in Georgia. The following factors affect poor performance of educational system: the lack of non-Georgian language textbooks and manuals; teachers' qualifications, especially language qualifications; teachers' practices in the classroom; and the learning time of students.

According to PISA, 62% of students in Georgia perform below the baseline Level 2 in reading literacy and no student achieves above Level 5. Most students in Georgia are therefore unable to act effectively and productively in society, according to PISA's criteria. Therefore, in terms of the proportion of students not achieving the baseline level in reading literacy, Georgia is among the poorest performers in the region, ranking just above Azerbaijan (73%) and Kyrgyzstan (84%), and far below the mean of 48% for UNICEF Programme countries. As in reading, students in Georgia experience several problems in mathematics.

More than 40% of students achieve below Level 1 in mathematics. Just 31.2% of students are proficient in mathematics at least to the baseline level at which they begin to demonstrate the kind of skills that enable them to use mathematics in ways considered fundamental for their future development (Level 2 and upwards). Georgia is the second

lowest performing country in mathematics, with 68% of students performing below level 2. Therefore, in terms of the proportion of students not achieving the baseline level in mathematics literacy, Georgia ranks just above Kyrgyzstan (87%). In terms of science literacy, only 34% of students are proficient at least to the baseline level at which they begin to demonstrate the science competencies that will enable them to participate actively in real-life situations related to science and technology.

2. Youth Employment and Poverty

Young people have the highest unemployment rates of any age group in Georgia. The activity rate of 15-29 year-old youth reaches 60.0% (71.3% for men and 49.0% for women); but 30.7% of this labor force is unemployed. According to GeoStat, in 2012 the 15-24 year age group represented 31.7% of the total number of unemployed. The unemployment rate is highest in the 20-24 age groups (36.3%). Due to the fact that a high proportion of the 15-19 year olds are still in school, two thirds are not economically active, but among those who are 30.7% are unemployed. Among the unemployed aged 15-29, almost half (42.4%) have never worked while 31.3% have been unemployed for more than a year (UNICEF, 2014). In urban areas, especially in Tbilisi (46.3%) and Adjara (43.6%), youth unemployment is much higher than in rural areas. By contrast, in the Kvemo Kartli region only 14.3% of active young people are unemployed. However, the low level of unemployment in rural areas is largely due to self-employment, especially in agriculture. More than half (54.1%) of young

people aged 15-29 are self-employed. A large part of the self-employed youth (65.7%) is unpaid (contributing) family workers, the majority (83.1%) of whom are living in rural area (UNICEF, 2014).

The educational level of the young people does make a difference in their chances to find employment, but even among those who have higher education only a little over half (54%) are employed. According to the *Human Development Report* (UNDP, 2010), Georgia has one of the highest proportions (81%) of workers with secondary or higher education levels among its unemployed (of all ages, not just youth). The following shows the percentages of young people (15-29) employed, by educational level:

Higher education	54%
General secondary education	45.8%
Vocational education	45.3%
Primary / basic education	23.9%

It is a bit of a contradiction that, despite the relatively high educational level of the unemployed work force, especially young people, the *World Competitiveness Report* (2011-2012) states that it is inadequately educated workforce that represents a major constraint to doing business in the country (www.weforum.org).

A high percentage (31.2%) of youth is neither employed nor studying, does not go to either educational institution or one of the courses to acquire profession/craft or raise qualification. The majority of them (65.4%) are women. As in the case of unemployment, the share is higher in urban areas, especially Tbilisi, than in rural areas (UNICEF, 2014).

Young people also experience a higher incidence of poverty. The relative poverty rates (the population living below 60 and 40% of the median consumption) is higher for those who have 15-29 year-old members in the households. For Georgia as a whole, these indicators are 3-4 percentage points higher compared to the relative poverty rates of the population in households without young people (UNICEF, 2014).

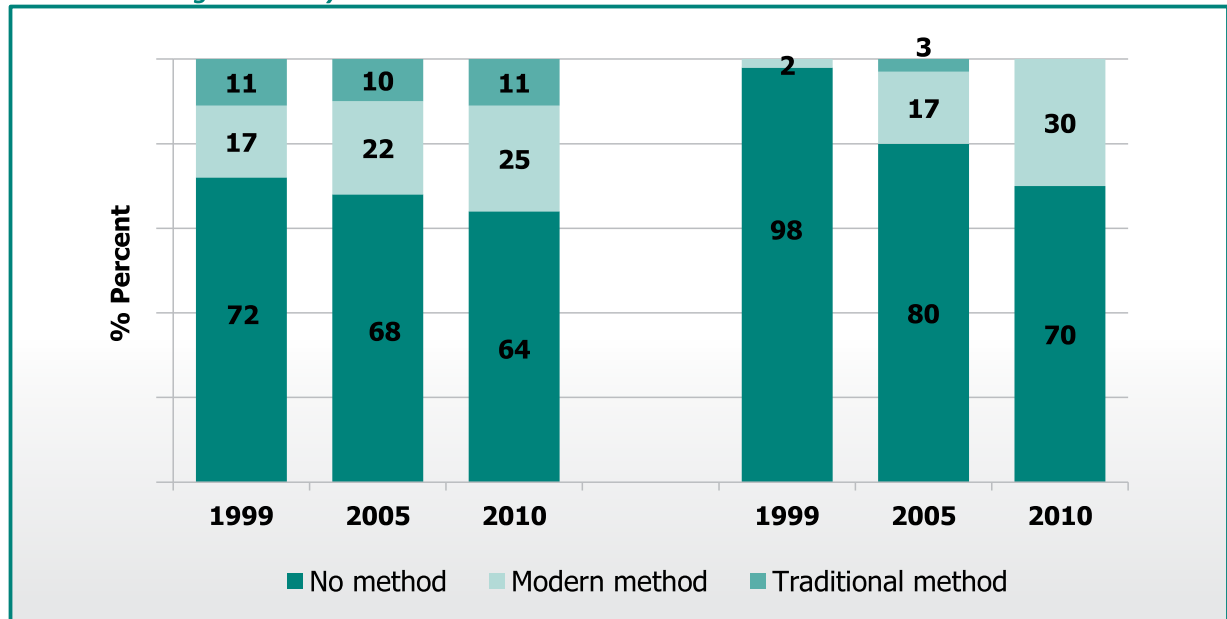# 3. Adolescent Sexual and Reproductive Health

Contraceptive use among young women is not common in Georgia: The GERHS also found that some 76.6% of married women aged 15-19 years used no method of modern contraception. The use of contraceptives is subsequently also uncommon at first sexual intercourse and the primary reason for not using a contraceptive method is reported as wanting to get pregnant (69%) and not thinking about using a method (22%). The primary reasons were different for unmarried women with only 12% wanting to get pregnant and 51% saying that they did not think about contraception and, 10% of young unmarried women did not know about contraception. The main reasons that women gave for not using contraception were related to pregnancy, fertility, or sexual activity. Other reasons for this may be found in the absence of access to contraceptive counseling and family planning. The survey also found that access to contraceptive counseling is higher among Georgian women than among women of other ethnic groups.

The data indicate that high proportion of willingness to get pregnant response is in direct correlation with the sexual initiation only after getting married and the culture of having a first baby soon after a marriage. However the low percentage of contraceptive use among married young women could only partially be attributed to the desire to become pregnant, but also to the lack of knowledge, thought and negligence. Almost all unmarried women used condoms as a contraceptive method and, among married young women 25% used modern methods such as condoms and IUDs and 11% used a traditional method. Trends in contraceptive use among young women are provided in Figure 49.

The 2010 GERHS confirms that young women want more information about contraception. Also, they have decided views about their preferred sources of such information. In the two age groups, 15-19 and 20-24, 62% and 67% respectively desired more information about contraceptive methods. These figures are actually higher than those in the older age groups (who already know more). Sexual and reproductive health needs among young people are very special and should be carefully studied and addressed. In Georgia, these tasks lack strategic approach and thus data is limited and inconsistent and policies are developed without sufficient evidence. One of the important shortcomings is related to the lack of policies for collecting of data for adolescent age group – the majority of available statistics, as well as some survey data are focused on young adult age group of 15-24 years. This approach complicates assessing sexual and reproductive health information related to adolescents (15-19 age group).

Figure 49: Trends in contraceptive use at last sexual intercourse, by marital status among young adult women aged 15–24 years

Source: GERHS

Figure 50: Sexual and reproductive health behavior among young people in Georgia: various practices of providing adolescents with information on safe sex
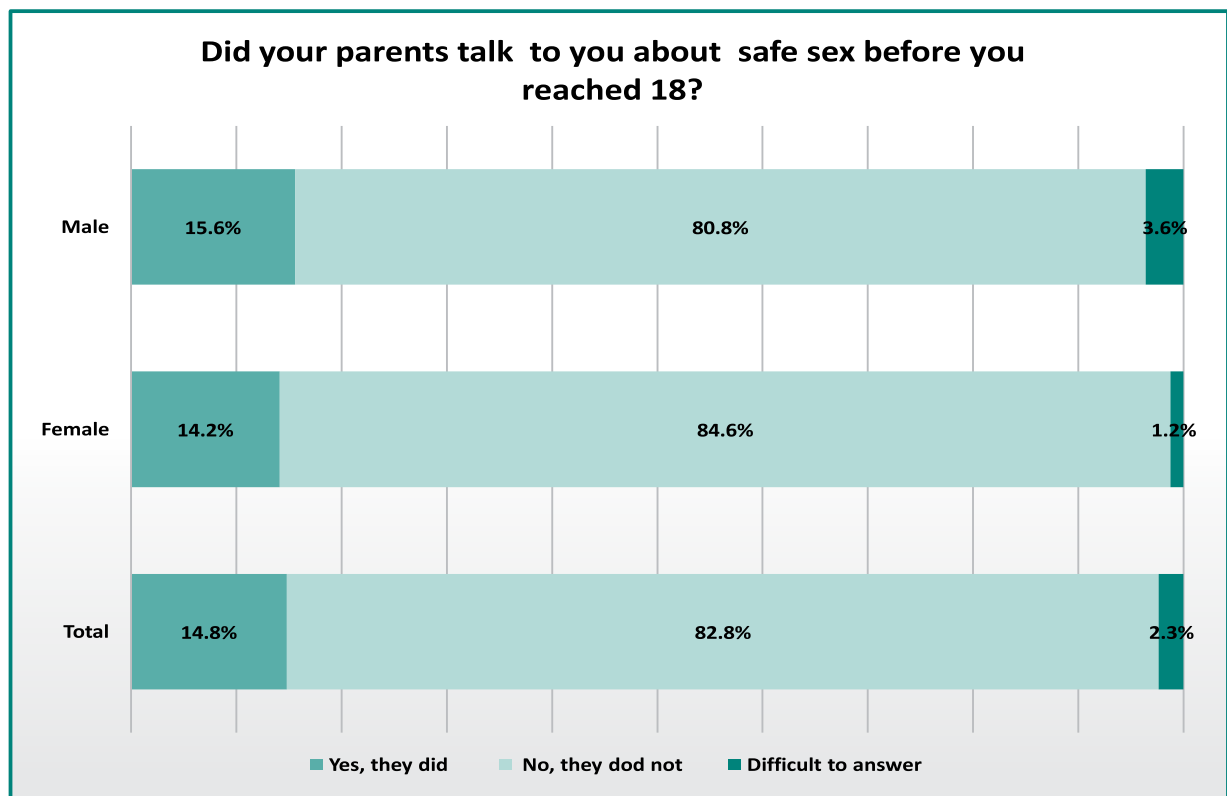
Source: UNFPA/ISSA (2013)

Premarital sexual experience is very uncommon. Nearly a third of young women (aged 15–24 years) in Georgia reported sexual experience (32%); nearly all of them (31%) reported sexual initiation only after marriage. Contraceptive use at first sexual intercourse is uncommon in Georgia, regardless of marital status. The primary reasons given for not using a contraceptive method at first intercourse were wanting to get pregnant (67%) and not thinking about using a method (24%). In general, condoms are widely known but regarded with ambivalence by young women. (Ross, 2012).

According to UNFPA (2013 b), the reproductive and sexual health needs of adolescents are going largely unmet in Georgia. There are no state-sup-

ported sex education programmes, no information targeted specifically at young people. The health-care providers are not equipped with the skills to meet young people's unique needs for informa-tion, counseling and confidential services. The Re-productive Health Cabinets are normally housed within Women's Consultations, and are separated from routine ob/gyn services provided in the exam rooms. This emphasizes a need for youth-friendly reproductive health services integrated at the PHC level with better access and availably of skilled health personnel, as well as a need to promote for-mal and informal youth information and education regarding reproductive health issues.

per woman belonging to the Azeri ethnic group, compared to 1.5 abortions per Georgian woman).

The Behavioral Surveillance Study among second-ary school and university students in Tbilisi report-ed only 6% of young women with sexual experi-ence (1.1% in 15-17 age group and 10.6% in 18-24 age group) (GHPP, 2012), compared to 32% of the general population aged 15-24 mentioned earlier. Less than 1% of women report initiating sex be-fore age 15 and the percentages increase steadily reaching 62% by age 24 (GERHS). In the adolescent sub-group (15-19) only 11% reported sexual expe-rience compared to 52% in the older age group (20-24 years). There is a slight difference among

Figure 51: Sexual experience among women aged 15-24 by age group: 1999, 2005, 2010
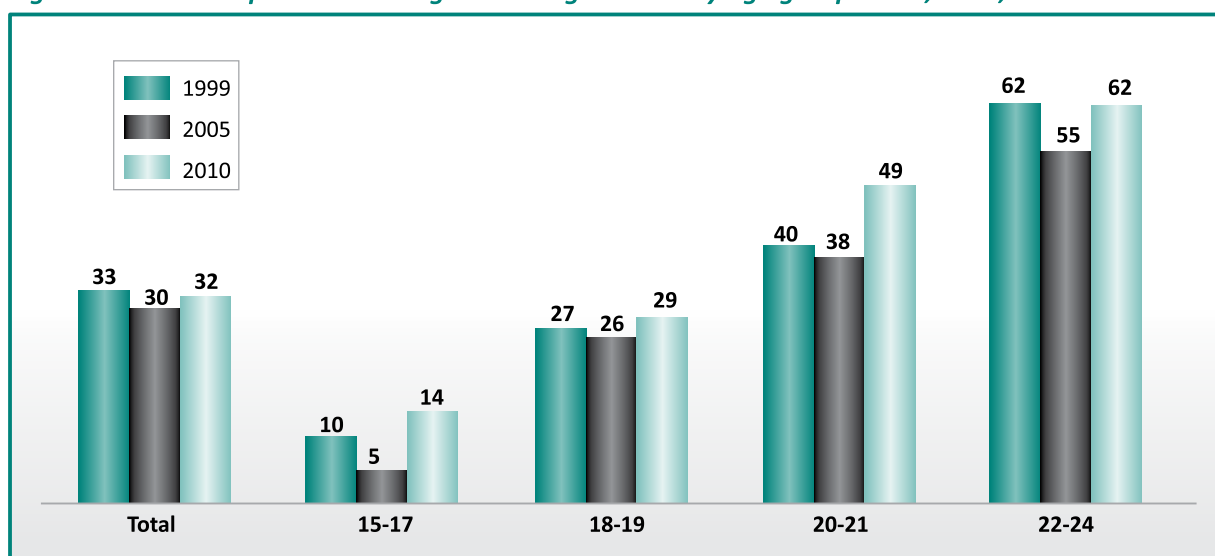
Source: GERHS

As noted above, Georgian women initiate and complete child-bearing at an early age, as reflect-ed in age-specific fertility rates for young women. The highest fertility levels were at ages 20-24 and 25-29, accounting for 36% and 29%, respectively, of the TFR, with low fertility only among the adolescent women (39 births per 1,000 women aged 15–19), contributing to only 10% of the TFR. Fertility than drops considerably among women aged 30–34, contributing only 15% of the TFR. Fertility rates of ethnic minorities, particular-ly among the Azeri group (2.4 children per wom-an) were higher than those of the Georgians, the major ethnic group (2.0 children per woman), due to much higher fertility among Azeri women aged 15–24 (GERHS 2010).

Data from the 2010 GERHS indicate a higher abor-tion rate among ethnic minorities, as well as a high-er level of fertility among Azeri women aged 15-19 (143 per 1000) than that of Georgian women aged 15-19 (30 per 1000) (for example, 3.3 abortions

urban and rural residents with twice more rural adolescent women having sex experience (almost 15%) compared to urban adolescents (85%). The premarital sex rates in the adolescent age group are lower (0.8%) compared to 20-24 age group. The first intercourse prior to marriage is very un-common (2% overall). The delay in sexual activity until marriage and in the older age-group was also observed in 1999 and 2005 GERHS.

There is a noticeable difference in age at first in-tercourse across educational levels. Over 60% of women with only secondary education and less reported sexual experience prior to age 22, com-pared to 39% of young women of the highest ed-ucation group (university or technical education). In the adolescent age group 27% of young wom-en with secondary or less education have sexual experience compared to 6% among the university education group. This is directly related to the age at marriage as less educated women get married at a younger age.

There is a favorable trend in decreasing adolescent birth rate (births in women under age 20). In 2012 the rate decreased further by 6.9%. The national statistics and GERHS data show that proportion of adolescent birth was 13.7% in 2010, which was reduced to 11.3% in 2012 (NCDCPH). The 2010 survey confirms that young women want more information about contraception. Also, they have decided views about their preferred sources of such information. In the two age groups, 15-19 and 20-24, 62% and 67% respectively desired more information about contraceptive methods. These figures are actually higher than those in the older age groups (who already know more).

Education on reproductive health issues is not part of the school curriculum. Only some elements of reproductive biology have been incorporated into high school biology and anatomy classes, which do not provide substantive knowledge on this matter. The GERHS found that only 3% of young women aged 15-24 stated that they had learned about contraception at school before they reached age 18. Moreover, the most important sources of information about sexual matters among young women aged 15 to 17 were friends (31%) and parents (26%), according to the survey.

4. Child Marriage

Early or child marriage is the union, whether official or not, of two persons, at least one of whom is under 18 years of age. Child marriage is associated with withdrawal from education, low socio-economic status of families and early childbirth with the risk of disability and maternal mortality. Article 1108 of the Civil Code of Georgia allows for a marriage of a person at the age of 16 years in exceptional circumstances with the consent of the parents or other statutory representatives or by decision of a court if there are legitimate reasons. This provides a room for forced child marriages. In addition the ongoing practice of unregistered marriages, including by the Orthodox Church leaves women in such marriages in vulnerable economic situation, and may also result in impunity for sexual intercourse with a person below the age of 16 years. The factors that trigger child marriage are not homogenous and vary according to religious, ethnic, and regional differences. According to the information received from the Ministry of Education and Science in Georgian public/private schools 7367 girls terminated education before the end of basic level (7-9 grades) from October, 2011 to

January, 2013 and the reason for abandonment of education in majority of cases was early marriage. (GEORGIA – Beijing +20 National Review of the Implementation of the Beijing Declaration and Platform for Action).

Until now no comprehensive research has been conducted in Georgia regarding the scale, motives, and consequences of child marriage. The reasons behind this vary from the invisibility of the problem until recent years, to the lack of complete statistical data. The existing data shows that up to 17% of Georgian women were married before the age of 18. Georgia has one of the highest rates of female marriage under age 18 among European Countries, along with Moldova (19%) and Turkey (14%) (UNFPA, 2012, GEORGIA – Beijing +20 National Review of the Implementation of the Beijing Declaration and Platform for Action). However, the data is not complete because most child marriages are not officially registered. Information about the number of registered marriages by age group is not sufficient to examine trends in child marriage, because marriages up to age 16 years cannot be officially registered. Child marriage has many causes: cultural, social, economic and religious. In many cases, a mixture of these causes results in the imprisonment of children in marriages without their consent. This leads to a number of grave consequences for girls, such as social isolation, absence of reproductive control, and dropping out of school.

A review of the few available reports suggests that the school dropout rate is especially alarming in the Kvemo Kartli region and in Tbilisi (Public Defender of Georgia 2012). The Centre for Children's Rights of the Public Defender of Georgia organized a campaign to raise awareness about children's rights in the Kvemo Kartli region in 2013. During this project, several school teachers were interviewed and they revealed that girls dropped out of school because of child marriage. The report showed that during the last five years, 341 students dropped out of schools in Marneuli (a city in Kvemo Kartli) in order to get married. The findings of the interviews with experts, child spouses, and community members carried out for this study support the argument that there is a strong link between school dropout and early marriage. In some regions, there is little value attached to girls' education, and their role in society. Especially in socially disadvantaged families, girls drop out of school, and then the only option left for them is marriage. Alternatively, they may drop out when they become engaged, but before they actually

marry; only if the future husband "allows" a girl who is engaged may continue her education.

5. Adolescent TB and HIV Incidence and Risky Behavior

High incidence of tuberculosis in Georgia has affected youth, in particular those in close contact with TB patients. Young people of 15-24 years constitute more than 20% of new cases of pulmonary tuberculosis annually with a slow downward trend observed along with overall reduction in TB cases (Figure 52). The lack of adequate tracing and testing of tuberculosis patient contacts and no treatment introduced for latent tuberculosis, puts young people who are in contact with TB patients at a high risk for developing tuberculosis.

Incidence of HIV among adolescents and young adults has started to grow since 2009 along with overall increase in HIV incidence although it went down in 2012 requiring multi-year analysis. Knowledge, attitude and practices related to HIV provide important information on risks among young people in Georgia and should guide government interventions. The national HIV/AIDS strategic plan identifies HIV prevention among youth as one of the priorities.

The recent behavioral surveillance study data show significant gaps in youth knowledge related to HIV, which is inevitably reflected in their attitudes and practices. Stigmatized and discriminatory attitudes towards people living with HIV are prevalent among school children and university students according to BSS data.

There are also significant risks associated with early onset of sexual life among young boys mostly having sex with sex workers that is often unprotected. The study data indicate that 70% of young men have had sex compared to 6% of women. Among sexually active youth, 31% were active before the age of 15 years (33.4% males and 2% of females). Forty one percent of young men who became sexually active in early ages report female sex worker as their first-time partner and 73% reported using a condom. Only 58% of young males who had multiple sex partner reported consistent condom use. As noted above, early sexual activity among young women is very rare.

Another important characteristic is low HIV awareness among young people. Only 10% of them were able to correctly identify ways to prevent HIV transmission. Approximately 9% of young people smoked marijuana at least once, 4% of young respondents reported smoking marijuana in last 12 months (6% and 1% for males and females respectively) and less than 1% of male respondents reported sex with a male partner.

High prevalence of tobacco smoking and alcohol consumption are among other unhealthy behavioral trends among youth in Georgia. Over 90% of young people, both men and women have reported consuming alcohol once in their life, with 65% consuming alcohol in the last month (74% of males and 56% of females). There has been unfavorable increase in alcohol consumption in the last month compared to previous studies (Baramidze, 2009) from 40% to 65%. Almost half of young people report being intoxicated at least once in their life (57% of males and 42% of females). High prevalence of tobacco use is another characteristic of

Figure 52: Proportion of TB cases in 15-24 age group in all pulmonary TB cases
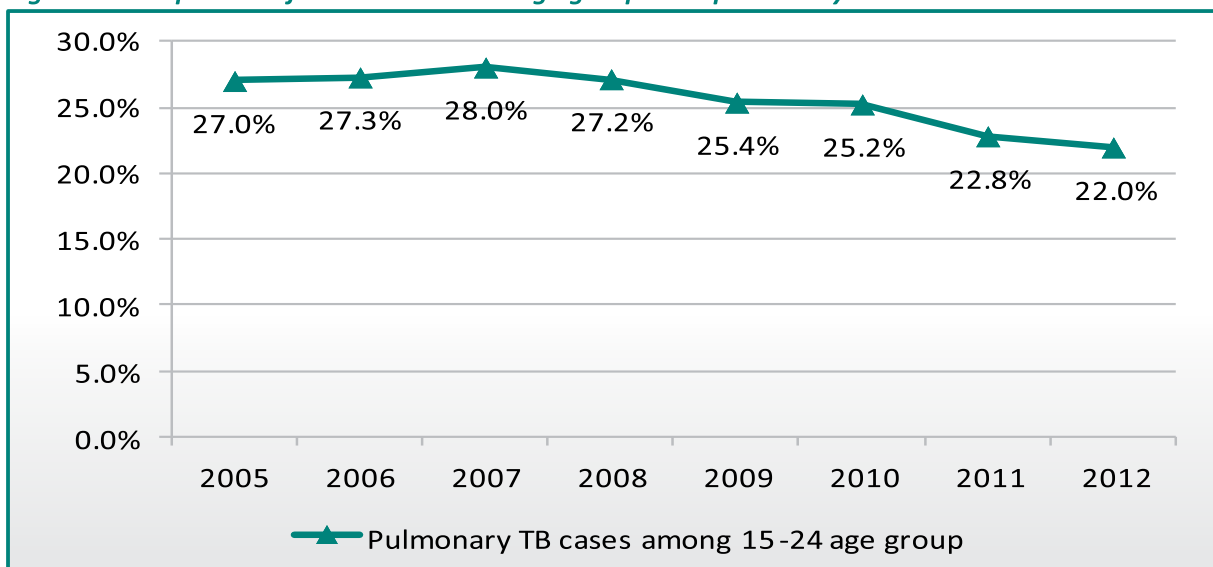
Source: NCDCPH

youth behavior with almost half of young people reporting to have smoked tobacco (BSS GHPP) and 18% smoking cigarettes on a daily basis. According to UNICEF (2014), 21.6% of 15-29 year-old youth in Georgia claims that they are regular[69] smokers, while the majority of them are men. 39.6% of men stated to be smokers on a regular basis, while only 4.1% of women mentioned that they smoke regularly. In the regional context this figure is quite diverse. The highest proportion of regular smokers was found in Tbilisi (26.9%) and Kakheti (26.5%) regions. This figure is almost twice as high as the number of smokers in Kvemo Kartli (13.8%) and Samtskhe-Javakheti (14%) regions distinguished by the lowest share of regular smokers.

There are limited data available on youth engagement in sport activities in Georgia. The engagement in sports has been found critical for physical empowerment, self-esteem of young people and establishing a foundation for healthy behavior in the future. However a lack of infrastructure and organization for sport activities in schools and universities, financial, geographic and other barriers create unfavorable environment for youth engagement in sports in Georgia. UNICEF (2012 c) recommends strengthening positive and informative "Healthy Life Style" campaigns in order to educate children and parents on the importance of healthier choices in life.

. . . .

69   Regular smoking is to be understood as daily smoking, even if only small amounts of tobacco are involved.

Challenges and Opportunities

1. Main Population Challenges Confronting the Country

The PSA is not intended to be an exhaustive policy review or to generate systematic policy recommendations for the government as UNFPA and the UN System in general have other processes more specifically geared towards this goal, such as the UNDAF process. As the name suggests, it is rather an analysis of the country situation with respect to the different aspects of the various population processes, in which data have a central place. Consequently, the present chapter on Challenges and Opportunities provides limited recommendations for policy and, to the extent that it does, most of the recommendations have to do with problems in the information and statistical data structures. However, at the request of the government, a few topics have been singled out for the discussion of policy implications. Apart from data issues, these have to do primarily with fertility policy, Sexual and Reproductive Health, and social protection.

a. Regarding data

One of the problems that were consistently found in the course of this PSA it that of data consistency. Although the country has a long series of civil registration data, censuses in 1989 and 2002, and several high quality surveys, it still faces several major data challenges. These include:

1) Significant gaps in the civil registration data of the period from 1990 until 2010 which affect the estimation of basic demographic data such as the current population size and fertility level**70**.

2) Even greater uncertainties about international migration data during this period.

3) The absence of a Population Registration System**71** inevitably means that, as the time since the last census passes, the denominators of all vital rates and other statistical indicators become increasingly uncertain.

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70 *Previous (1989 and 2002) new (2014) censuses must fill these gaps. After 2002 census all population-based indicators were recalculated respectively.*

71 *A Population Registry integrates the Civil Registration System with a range of other administrative data (voter registration, residential registration, tax records, military records, etc.) so that it is known at all times who lives where under what status. Several western European countries have such a system, but it is quite challenging to implement and requires much more than just recording births and deaths.*

4) Although the overall coverage of death registration data has improved in recent years, this improvement resulted in a sharply deteriorating quality of the information on causes of death. The percentage of causes coded as "ill-defined" started to increase around 2005, rose to over 50% in 2010, after which it declined only slowly, to 33.8% in 2012. The fact that the percentage was lower in 2009 and previous years do not imply that the causes were correctly coded even then.

5) Ambiguities in the 2002 census regarding the true migrant status (temporarily absent, living abroad but planning to return or permanently living abroad) of (former) household members not present at the time of enumeration and its implications for the country's de facto population size. Officially 114,000 persons were enumerated as household members permanently residing abroad, and were counted as emigrants. But many migrants may simply have been declared as resident due to the fact that family members were reluctant for a number of reasons to enumerate their family members as migrants. It is hoped that the census conducted in November of 2014 will be less ambiguous regarding the residency status of Georgians living abroad.

6) The fact that the last census is now 12 years old and has the ambiguities pointed out in the previous point may have had negative repercussions for some of the recent sample surveys carried out in the country, such as the 2009 GGS and the 2010 GERHS. Whatever the case may be, some of the information contained in these surveys is inconsistent.

7) Lack of coordination between different data bases. For example, the Ministry of Education does not have good statistics on school age children that are not enrolled in the school system. Among the 6-year olds the 2010 GERHS estimates that this proportion may be as high as 15.4% and among 7-year olds 2.7%. Better coordination with the data bases of the SSA would probably make it possible to identify many of these children.

8) Substantial data gaps in the area of social statistics. To provide some of the data needed in this area, it has been recommended that Georgia should participate in surveys such as the European Social Survey and the EU Survey on Income and Living Conditions (SILC).

9) Statistics on people with disabilities should be further developed. The current statistics cover only those disabled people who are receiving the social assistance package.[72]

10) The gender disaggregated statistics is not mainstreamed across all the sectors. For instance it is difficult to obtain sex-disaggregated data on economic activities and on mortality/morbidity causes.[73]

11) Although the official abortion statistics have shown some improvement, they are still deficient. In particular, more data are needed to address the growing concern on sex selective abortions in Georgia. More detailed analysis is needed on the causes and factors that lead to the skewed SBR. A UNFPA supported Country Report on Causes and Possible Consequences of the SRB, containing qualitative research done in collaboration with the World Bank, is forthcoming in 2015.

12) There is a need for regular official data gathering and analysis on youth issues.

13) In accordance with UN youth are defined as those persons between the ages of 15 and 24, adolescents-10-19 and young people 10-24. In Georgia, demographic and unemployment data are published according to the 5-year age groups: 15-19; 20-24; 25-29. Health statistics related to MMR, abortion, STIs, tuberculosis and oncological diseases are also published according to these 5-year age groups. However, some other data are still published according to the following groups: before 15, 15-18 and 18 and more.[74] This makes their international comparability problematic. It is recommended, therefore, that these statistics be aligned with UN practices on youth-defined statistics.

14) There is a need to study the practice of child marriages and its consequences for society.

15) The comprehensive quantitative and qualitative research on pupils drop-out from school should be undertaken as well, including its relationship with early marriage.

16) During the review process it was difficult to

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72 Information about disability is covered by 2014 Census (number disabled persons, their social and economic characteristics).

73 Mortality data are disaggregated by sex; introduction of the case-based out-patient registration would be a significant step toward morbidity disaggregation. Since 2014, in-patient case-based registration has been introduced, thus, the hospitalization would be disaggregated. Out-patient case registration is planned.

74 This problem could be fully or partly solved after introduction of the above-mentioned full scale case-based reporting system.

obtain the statistics on miscarriages. If such data would be made available it would be useful to see the trend of miscarriages during the last 3 years. If such trend would be in rise we could assume application of medicines to induce abortion

17) To improve quality of care services provision the government should develop the indicators and/or update on health system performance.

18) According to the local legislation surrogacy is legal in Georgia. Private clinics have emerged providing such services to both Georgian and foreign prospective parents. As this practice is not well regulated, no reliable statistics exist on the number or the conditions under which these procedures are carried out in the country.

b. Other issues

The problem of very low fertility, that has been on the forefront of public concern for some time now, may actually be less important – at least in the short run – than previously thought as Georgia is going through a remarkable demographic recovery. Rather than focusing on fertility, it may be better for now to develop actions to stem the flows of emigration from the country which, after several years of positive migration balances, have become more significant again during the past few years.

It is also worth noting that this recovery of fertility has taking place in the context of increasing contraceptive prevalence. This has been possible due to the decline of abortion rates in the country. As long as this trend of declining abortion rates continues, it is possible for contraceptive prevalence to increase by another 15-20 percentage points without endangering the recovery of fertility. The real trade-off that the country faces in this area is not so much one of fertility vs. family planning but of family planning vs. abortion.

The current programme of birth bonuses to stimulate fertility comes at a time when fertility has actually recovered already by itself. Of course, there is no guarantee that this fertility increase, that has been verified for the last 5 years or so, will be permanent, and it may be that specific measures for raising the birth rate may be needed in the future. In order to be effective, such measures would probably have to go beyond mere birth bonuses and include other components of family-friendly policies, such as greater facilities for part-time work and shared paternity/ maternity leave. For

now, however, the birth bonuses serve primarily as another poverty alleviation mechanism which can be justified to some extent by the fact that social assistance to families with larger numbers of children, under the existing system, has been demonstrably weaker than to other categories of families.

A challenge that the country faces in bringing back some of the more than one million Georgians living abroad is that these emigrants typically have worked in low-qualification jobs abroad and have acquired few skills that would help their employability in the Georgian labor market. In addition, they may have accumulated social benefits, such as pensions, abroad that they can usually not transfer upon their return to Georgia. These are two obstacles to the reintegration of migrants residing abroad in which public policy might have a role to play.

The complete or partial conversion of the current old-age pension system that is completely paid out of the state budget to a system of individual capitalization is partly inspired by the desire to reduce the pressure of this category of expenses on the budget. However, some simulations contained in this paper suggest that it will take a relatively long time for this conversion to result in substantial savings to the state and even in the long run the state will continue being responsible for those who don't have sufficient income to build up viable individual pension rights. In addition, the government should consider that the experiences with so-called "second pillar" solutions (individual capitalization funds) in Eastern Europe thus far have not been particularly favorable. In order to be more efficient than traditional pay-as-you-go schemes, the financial return on investments in these funds should grow faster than the GDP, something that few countries in Eastern Europe have been able to achieve so far.

2. Opportunities for Action: Policy, Strategy and Programmatic Recommendations

a. With respect to socio-demographic information

• Recommendations of the Adapted Global Assessment of the National Statistical System of Georgia should be implemented.

- Strengthen human resource capacities in data collection and analysis and the conversion of such data into evidence-based policymaking.

- Further develop education and career paths for experts in demography and statistics.

- Find ways to stimulate the continuous analysis of the considerable amount of census and survey data existing in the country, so that it will be more consistently used for policy purposes.

- In this regard, an upcoming policy issue that might benefit from the fullest consideration of demographic and socio-economic data is the pension reform planned to start in 2015.

Specifically, regarding the problem of deficient cause-of-death registration, the MoLHSA is taking some various measures, with the support of USAID and the World Health Organization (WHO). A survey "assessment of death registration quality in selected regions of Georgia" was conducted in May-July of 2013 by the National Centre for Disease Control and Public Health, in collaboration with WHO and GeoStat. Key recommendations adopted as a result of the survey include the rationalization of the information system on the characteristics of deceased persons, introduction of additional conditions for control and validation in the electronic programme of death registration, better training on the completion of death certificates, and better handling of external causes of death. Starting from February 2013, the GoG took number of steps to improve maternal and child death registration system by introducing mandatory 24 hour reporting to health authorities of deaths of women of reproductive age followed by epidemiological investigation and, mandatory emergency notification of maternal, neonatal, child 0-5 death and stillbirth in healthcare facilities. The most important measures that are needed, however, seem to be related to the enforcement of the obligation to fill out a death certificate with adequate identification of cause for each death using ICD-10 classification/coding system, including those that occur at home and are attended to by the village doctors or those that occur in transit to the hospital. It is also being considered to introduce a new agent – an investigator – into the death registration chain; the investigator will investigate the information about last disease of the deceased person, will collect the information scattered in different medical institutions, will establish links between the subjects involved in death registration and will determine primary cause of death. In case of absence of the information at medical institutions, the investiga-

tor will use verbal autopsy and will fill in the death certificate. The investigator must be authorized to enter the death cause information into the mortality database; for instance, replacement of the protocols filled in by regional agencies and/or making additions by medical death certificate.

In the medium term, it is recommended that the country move toward a population registration system of the type that exists in several western European countries. This would make it much easier to compute appropriate denominators for the various vital statistics. In countries where this system works well, it is possible to substitute the conventional census for an administrative census in which it is no longer necessary to canvass all households. Developing an effective population registration system, however, is no trivial task, particularly in a country with high migration rates, such as Georgia. It requires seamless integration between the different population data bases maintained by the civil registry, the Ministry of Education, SSA, the electoral register, the Armed Forces, etc. Therefore, a first move towards the ultimate establishment of a population registration system would be the better integration of the existing data bases.

b. Other issues

If the pension reform planned by the government were to result in a complete or partial conversion to an individual capitalization scheme, it would be prudent for the government to negotiate agreements with the destination countries of Georgian migrants, to make it possible for them to transfer the pension rights they accumulated abroad.

It is unfortunate that the family planning counseling and services are not available through the primary health care system. The Government does not support family planning Programme and family planning is not explicitly acknowledged to be an important topic by the 2011-2015 National Health Strategy. In addition, maternal care is segregated from conventional primary health care service delivery sites, both in urban and rural areas, diminishing a role of primary health care in antenatal and postnatal care. Funding of the family planning services mostly relies on donor funding.

No state funding is made available for family planning counseling or service delivery. Donors provided free of charge contraceptives and this supply stopped in year 2014. Financial affordability of contraceptive in the commercial market varies according to the income groups. Providers have no incentives to provide family planning services and contraceptives are not included in the list of

essential medicines. The role of the state in human resource capacity development is largely unclear. In-service training of providers is mainly supported by donor financed projects. Continuous Medical Education system is not demanded and financed by the government.

As regard to youth health the reproductive and sexual health needs of youth are largely unmet. The country lacks policies and guidelines that support the provision of SRH and family planning services to youth. Youth lack the knowledge concerning contraceptive methods, HIV/STI prevention, safe behavior.

To address the challenges above it is recommended:

1) To include Reproductive Health as a priority of the State Health Strategy and ensure sustainable government investments towards achieving universal access to RH/FP services;

7) Support advancement of evidence-based policies, standards and programmes for increased quality of Reproductive Health care to contribute to reduction of MMR;

8) Include information on the challenges in the area of SRH – high MMR, low quality of care, challenges in access to youth-friendly SRH services and information, etc.

9) Support development and implementation of policies targeted at improvement of availability and access to Family Planning services through their integration at primary health care level and inclusion in the Universal Healthcare basic benefit package;

10) Support market segmentation analysis for Total Market Approach for family planning for securing access of different population groups to family planning products, services and information;

11) Target to improve population knowledge and practice of family planning methods, including implementation of proper post-abortion counseling on family planning, Include the age-appropriate information on Gender Equality, SRH and Rights and family; planning in the school curriculum among others through consideration of the National Concept on Healthy and Harmonious Education concerning youth reproductive health and rights' education;

12) Reconsider expansion of a waiting period for abortion procedure to five days according to the internationally available evidence and adopted guidelines emphasizing that barriers to access to abortion services do not have any impact on women's decision to perform abortions and, at the same time, create risks of unsafe abortions.

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