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Master's Thesis

Understanding Wage Gaps in Georgian Labor Market: Gender, Ethnicity and Age

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DIPLOMA THESIS TOPIC

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Methodology: The preparation of the thesis can be divided into several sub-steps. The titles of the chapters may be different, but they must meet their objectives in terms of content.
In the introduction, the author briefly introduces the topic and explains why the topic is relevant for processing.
In the following chapter, entitled "Objectives", the author specifies the research question, the aim of the work and the hypotheses associated with the processing of the work. At the same time, he explains the potential contribution of his work to the current research or practical application.
The creation of a literary search will follow. This section will provide a detailed overview of the literature and the current state of knowledge, focusing on the labour market and wage gap. It will include a critical analysis of the most important studies, including the methods used, the results found and, where appropriate, the problematic points. Methodically, this part of the work will be the analysis of documents.
The literary search will provide a basis for the author to specify the methods used for the analytical part of the work. The chapter entitled "Methodology" will present in detail all the methods used; it will also include the source of the data, their description and the process of their preparation for the analysis.
In the next step (analytical part), the author applies the knowledge gained during the literature study to analyse the obtained data using the methods specified in the methodology.

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Declaration

I declare that I have worked on my master's thesis titled "Understanding Wage Gaps in Georgian Labor Market: Gender, Ethnicity and Age" by myself utilizing AI for grammar checks and punctuation. I have used only the sources mentioned at the end of the thesis. As the author of the master's thesis, I declare that the thesis does not break any copyrights.

In Prague on March 2024 _____

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Understanding Wage Gaps in Georgian Labor Market: Gender, Ethnicity and Age

Abstract

This comprehensive study scrutinizes wage disparities in the Georgian labor market across gender, ethnicity, and age, utilizing data from the Labor Force Survey spanning 2003 to 2022, with a focused examination of 2019 pre-COVID-19, employing the Blinder-Oaxaca decomposition method. The analysis reveals a significant gender-related wage gap, where women, despite favorable individual characteristics, earn 27% less than men, largely due to occupational and sectoral segregation and shorter working hours. Notably, a portion of this gap remains unexplained, suggesting potential discrimination. Ethnic disparities exhibit a 17% wage gap, predominantly explained by differences in personal and job-related characteristics, hinting at possible pre-market discrimination affecting educational outcomes and, subsequently, earnings. Age-related analysis uncovers a 21% gap favoring older workers (aged 60 or above), with unexplained factors seemingly benefiting this demographic, contradicting common perceptions of productivity-related wage determination. This study's insights are vital for informing policies aimed at rectifying labor market inequalities and fostering a more inclusive economic environment in Georgia.

Keywords: Labour, wage gap, inequality, unemployment, gender, elderly people, Blinder-Oaxaca's decomposition method.

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1 Introduction

In the complex landscape of a nation's economy, the labor market stands as a critical junction where individual aspirations meet collective economic growth. The efficiency and fairness of the labor market are vital to a country's economic health, influencing not only the distribution of income but also the broader contours of social progress and stability. However, this market's intricacy is amplified by persistent disparities that different demographic groups, especially women, ethnic minorities, and older workers, face. These disparities not only limit individual economic prospects but also mirror broader structural inequalities that require thorough examination and strategic intervention.

This thesis explores the wage disparities within the Georgian labor market, focusing on gender, ethnicity, and age. It aims to dissect these disparities, offering insights into their underlying mechanisms and implications for targeted policy responses. The Georgian context provides a unique backdrop for this analysis, given its transitional economy and the evolving dynamics post its Soviet legacy. By delving into these specific dimensions, the research sheds light on the broader discourse of labor market inequalities, contributing to a nuanced understanding that can inform effective policy frameworks.

Employing data from the Labor Force Survey spanning 2003 to 2022, with a particular emphasis on the pre-pandemic year of 2019, this study adopts the Blinder-Oaxaca decomposition method to unravel the complexities of wage disparities. This methodological approach not only enhances the analytical depth but also provides a robust framework to differentiate between explained and unexplained components of these disparities, offering a clearer picture of the extent to which discrimination and other non-observable factors play a role.

By integrating theoretical insights from the domain of labor market discrimination with empirical findings specific to Georgia, this thesis aspires to contribute to the broader academic and policy-oriented dialogue on addressing labor market disparities. It is structured to progressively unfold the nuances of wage gaps, methodological rigor, and contextual analysis, culminating in a set of recommendations aimed at fostering a more equitable labor market.

In essence, this research endeavors to provide a comprehensive examination of wage disparities in the Georgian labor market, aiming to illuminate the path toward more inclusive economic policies and practices that can support the nation's journey toward economic resilience and social equity.

2 Literature Review

2.1 Introduction to the Literature Review

The efficiency and equity of labor markets are crucial determinants of a nation's economic vitality and societal progress. Yet, these markets are riddled with complexities, particularly disparities across gender, ethnicity, and age groups. Such wage gaps, especially pronounced in transitional economies like Georgia, warrant a deep dive to uncover the underlying factors and inform targeted policy interventions. This literature review aims to dissect these disparities, providing a nuanced understanding that aligns with the Georgian labor market's unique context.

Globally, the gender wage gap is a persistent issue, where women earn consistently less than men, influenced by factors like occupational segregation[1], the crowding hypothesis, and unequal household responsibilities. The literature, including insights from Hori (2009) and Altonji (1999), illustrates how sectoral employment and career choices exacerbate these wage differentials. Furthermore, studies such as Babych, Mzhavanadze, and Keshelava (2021) emphasize the interplay of societal norms and unpaid care duties, advocating for policies that support childcare and female education to mitigate these gaps.

Ethnic wage disparities, as highlighted by Asali et al. (2018), are another critical dimension, particularly within the Georgian context, where such gaps are linked to educational inequities and labor market discrimination. This calls for policies that enhance educational access and foster labor market inclusivity.

Age-related wage disparities provide additional insights into labor market dynamics, where older workers' wages are influenced by perceived productivity and potential age discrimination, a complexity especially relevant in transitional economies like Georgia, as explored by Skirbekk (2003).

[1] Horizontal segregation - the concentration of women and men into particular sectors and occupations; Vertical segregation - concentration of women and men in particular grades, levels of responsibility or positions.(European Comission, 1998)

As Georgia transitions from its Soviet past, its labor market faces unique challenges that influence wage disparities. This evolving economic landscape, as illustrated by Asali & Gurashvili (2019), offers a rich backdrop for studying wage gaps, enriching the global discourse on labor market disparities in transitional economies.

Thus, this literature review synthesizes insights from various studies to build a comprehensive understanding of the factors influencing wage disparities. By examining the interplay of gender, ethnicity, and age in wage determination within the Georgian context, this review sets the stage for an in-depth analysis aimed at contributing to informed policy-making that promotes labor market equity in transitional economies.

2.2 Historical Perspectives on Labor Market Discrimination

The foundational theories and empirical investigations within the field of labor market discrimination have been crucial in uncovering the complex nature of this persistent issueGary Becker's influential book, 'The Economics of Discrimination' (Becker, 1971), marked a significant turning point in the economic examination of discrimination. It expanded the scope of discrimination analysis from merely social justice concerns to include considerations of efficiency and resource allocation. Becker proposed that discrimination, evident in unequal treatment based on race, gender, or ethnicity, not only violates principles of fairness but also results in market inefficiencies.

Kenneth Arrow's influential work, 'The Theory of Discrimination' (Arrow, 1973), significantly deepened the understanding of discriminatory behavior in labor markets by explaining its theoretical foundations. Arrow pointed out how discrimination can persist in seemingly competitive markets due to taste-based discrimination, statistical discrimination, and entrenched institutional barriers. His analysis highlighted the complex interplay between individual preferences, market dynamics, and societal norms, shaping outcomes in the labor market.

Subsequent important studies have further explored the historical origins and consequences of labor market discrimination. Phelps' investigation into the statistical theory of racism and sexism (Phelps, 1972) revealed patterns and biases that contribute to discrimination, providing a rigorous framework for assessing its prevalence and persistence in employment and wage determination.

Barbara Bergmann's investigation into occupational segregation and wage differentials (Bergmann, 1974) underscored the consequential role of discriminatory hiring and promotion practices in perpetuating demographic concentrations in underpaid sectors, highlighting structural and employer biases as key perpetuators of occupational segregation and, consequently, wage disparities.

Alan Blinder's empirical study on wage discrimination (Blinder, 1973) presented tangible evidence of wage differentials among demographic groups, even after accounting for factors like education and experience. This study not only corroborated the existence of wage disparities but also stimulated a broader discourse on the sources and implications of wage discrimination, fueling further inquiry into the mechanisms underpinning it and its policy implications.

Collectively, these pioneering theories and studies have established a strong foundation for continued research on labor market discrimination, influencing subsequent scholarly work and policy discussions. By examining the historical development of conceptual and empirical insights in this area, scholars can gain a deeper understanding of the origins, persistence, and impacts of labor market discrimination. This knowledge can then inform the development of more effective strategies to promote equality and social justice in the labor market.

2.3 Legal and Policy Frameworks

The enactment of anti-discrimination laws and policies marks a crucial juncture in the quest for equality within labor markets. Key legislative achievements such as the Civil Rights Act of 1964 in the United States and the implementation of the Equal Pay Act across various nations signify notable strides toward eradicating discrimination in employment settings.

Specifically, the Civil Rights Act of 1964 stands out as a pivotal piece of legislation that outlawed employment bias based on race, color, religion, sex, or national origin, representing a significant leap forward in safeguarding the rights of marginalized communities (Civil Rights Act, 1964). Concurrently, the introduction of the Equal Pay Act aimed to tackle gender-based wage discrepancies by advocating for equitable compensation for equivalent work, challenging entrenched norms of wage disparity (Equal Pay Act, 1963)

These legislative measures have significantly shaped labor market dynamics, fostering inclusivity and fairness. By prohibiting discriminatory practices and establishing enforcement mechanisms, they have empowered individuals to challenge discrimination and seek justice. Furthermore, these laws have encouraged employers to adopt equitable practices in recruitment, promotion, and compensation, leading to increased diversity in the workforce.

However, achieving full equality in the labor market remains challenging. Despite legislative progress, enforcement can be inconsistent, and subtler forms of discrimination persist. Continuous vigilance and advocacy are necessary. Additionally, the effectiveness of anti-discrimination laws can vary depending on institutional capacity, cultural norms, and socio-economic factors.

In modern times, efforts to address discrimination have expanded beyond traditional legal boundaries to include broader policy initiatives and corporate diversity programs. Organizations have implemented affirmative action policies, diversity training, and gender quotas to promote a more diverse and inclusive workforce. These initiatives are intended to supplement legal measures, addressing systemic inequalities and promoting cultural change within companies.

In conclusion, legal and policy frameworks have played a crucial role in promoting equality and combating discrimination in the labor market. While significant progress has been made, ongoing efforts are essential to address persistent disparities and ensure equal opportunities for all members of the workforce.

2.4 Intersectionality

The following section explores the complex concept of intersectionality, a fundamental analytical framework that examines the intricate interplay among various social identities, such as race, gender, and class, and their collective influence on discrimination experiences within the labor market. This framework suggests that individuals occupy multiple, overlapping social positions, and their experiences of discrimination are shaped by the intersection of these identities (Crenshaw, 1989).

For example, the labor market dynamics for women of color illustrate a unique intersection of challenges, as they confront the combined effects of gender and racial discrimination. Research has shown that women of color often face wage disparities and are more likely to experience occupational segregation compared to both white women and men of color (Collins, 1990). Similarly, individuals from economically disadvantaged backgrounds encounter heightened barriers in employment and career advancement, grappling with both economic disparity and class-based discrimination.

Applying an intersectional approach allows for a nuanced understanding of how various forms of discrimination intersect and exacerbate each other, significantly influencing individuals' access to employment opportunities and wage structures. By examining the intersection of race, gender, class, and other social categories, researchers can uncover the underlying mechanisms driving disparities in the labor market, informing the development of targeted and effective intervention strategies.

Moreover, the principle of intersectionality emphasizes the importance of incorporating the unique experiences and perspectives of marginalized groups into policy development and advocacy efforts. By prioritizing the stories and lived experiences of those most affected by discrimination, intersectional approaches contribute to the creation of more effective and equitable strategies aimed at fostering inclusivity and equality within the labor market.

In summation, the framework of intersectionality serves as an invaluable tool in deciphering the intricate dynamics of discrimination in the labor market. By exploring how interwoven social identities influence individual discrimination experiences, policymakers and

researchers are empowered to devise interventions that are more intricately informed, addressing disparities and advancing inclusivity with greater precision.

2.5 Global Insights on Labor Market Discrimination

A broader examination of global perspectives reveals a complex array of factors that contribute to labor market discrimination across different geopolitical contexts. Cultural norms, institutional structures, and historical factors collectively shape the dynamics of the labor market, influencing the prevalence and severity of discriminatory practices (Gunderson & Melino, 2013).

Conducting comparative analyses helps illuminate the diverse landscape of discriminatory practices worldwide. While certain forms of discrimination, such as gender-based wage disparities, are observed globally, the specific intricacies and drivers of these practices vary significantly depending on regional and cultural factors (Grossbard, 2014).

The prevailing societal norms and cultural narratives within a given region have a profound impact on employment-related decisions, affecting aspects such as hiring practices, career advancement opportunities, and wage structures. Deep-seated societal stereotypes and biases play a significant role in marginalizing certain demographics, perpetuating employment disparities and reinforcing societal inequalities (Fischer & Bernt, 2017).

The framework of institutional policies, including labor regulations and educational systems, greatly influences the landscape of labor market discrimination. Regions with robust anti-discrimination laws and effective enforcement mechanisms tend to experience lower levels of discrimination compared to those where such frameworks are less developed or poorly enforced.

The enduring impact of historical events such as colonialism, slavery, and apartheid continues to shape present-day labor markets significantly. These past injustices contribute to ongoing racial inequalities and socioeconomic divisions, posing significant obstacles to the realization of fairness and equality within the labor market (Anderson & Stewart, 2019).

By delving into global perspectives, this discourse not only enriches the academic understanding of labor market dynamics but also furnishes pivotal insights for policymakers. Comparative analyses can fuel cross-border collaborations and inform targeted interventions, aiming to dismantle the structural edifices of discrimination and foster an inclusive global labor market.

2.6 Emerging Forms of Discrimination

In today's rapidly evolving labor markets, characterized by technological advancements and the pervasive impact of globalization, new forms of discrimination have emerged, posing complex challenges for policymakers and researchers alike. The rise of sophisticated technologies, especially in artificial intelligence and machine learning, has brought attention to the issue of algorithmic bias. Algorithmic bias occurs when decision-making systems, crucial for processes like hiring, promotion, and performance evaluations, inadvertently reinforce existing prejudices, undermining principles of fairness and equality in employment practices (Barocas & Selbst, 2016).

Algorithmic bias often stems from biased training data, flawed algorithm designs, or the use of models that do not accurately represent diverse populations. These factors collectively contribute to outcomes that disproportionately disadvantage certain demographic groups. O'Neil (2016) explains how such biases, embedded within algorithmic frameworks, can worsen disparities, particularly in recruitment. For example, automated resume screening tools may favor individuals with certain demographic characteristics, such as names perceived as "white-sounding," perpetuating inequality in job opportunities (Dastin, 2018)

Furthermore, digital discrimination has become increasingly prevalent in online labor platforms, where employment and management processes are mediated through digital interfaces and algorithms. These platforms can serve as channels for discrimination, resulting in differential treatment based on factors such as geographic location, language proficiency, or perceived online reputation of workers. This adds another layer of complexity to the landscape of discrimination (Rosenblat & Stark, 2016; Lehdonvirta & Ernkvist, 2011).

Another emerging dimension of discrimination involves the use of genetic information in employment contexts. Employers may use genetic testing or screening to gain insights into potential health risks or the need for workplace accommodations. However, this raises significant ethical and legal concerns regarding privacy, consent, and the potential for discrimination based on genetic attributes (Rothstein, 2007; Rothstein, 2019).

The emergence of new discriminatory practices underscores the necessity of reevaluating current regulatory structures, which may not adequately tackle the intricacies of discrimination in a labor market that is becoming more digitalized. The lack of transparency in algorithmic decision-making processes emphasizes the criticality of ensuring transparency and accountability to prevent these technologies from perpetuating existing forms of discrimination or introducing novel ones (Diakopoulos & Friedler, 2016; Garcia-Murillo & Annabi, 2002).

Through critical examination of these emerging discrimination forms, researchers can significantly contribute to the development of comprehensive regulatory guidelines, ethical standards, and best practices aimed at mitigating these risks. Such efforts are essential for promoting an equitable and fair labor market, consistent with the principles of justice and equality in the digital age.

2.7 Interventions and Best Practices

Empirical research and comprehensive policy evaluations offer valuable insights into various interventions aimed at reducing labor market discrimination, fostering an environment of equality and inclusiveness in the workplace. These studies serve as a foundation for policymakers and organizational leaders, providing guidance for identifying and implementing best practices that address systemic biases and promote a labor market characterized by fairness and inclusivity (Pager & Shepherd, 2008).

In the area of recruitment and hiring, the strategic adoption of best practices plays a crucial role in reducing discrimination and promoting workforce diversity. One effective practice is the implementation of blind recruitment processes, which involve removing identifiable information such as names, genders, and racial backgrounds from resumes to minimize

unconscious biases and promote fairness in hiring decisions (Bertrand & Mullainathan, 2004). Additionally, providing targeted training for recruiters and hiring managers, focusing on diversity awareness and bias reduction techniques, is essential to ensure that recruitment practices are based on fairness and equity (Dobbin & Kalev, 2016).

Diversity training programs represent another crucial intervention aimed at cultivating a workplace culture that values equality and inclusiveness. These programs are designed to increase awareness of unconscious biases, promote cultural competence, and encourage behaviors that support inclusivity among all employees. However, the effectiveness of diversity training depends on factors such as program design, duration, and the existing organizational culture, requiring a nuanced approach to implementation (Paluck & Green, 2009).

Additionally, affirmative action policies, which include targeted recruitment initiatives and quota systems, are implemented to address underrepresentation and promote diversity in the workforce. Despite debates surrounding affirmative action, evidence suggests its effectiveness in increasing the representation of marginalized groups in the labor market and reducing disparities in employment outcomes (Holzer & Neumark, 2000).

Additional interventions aimed at cultivating an equitable and inclusive workplace environment include the establishment of mentorship programs, the introduction of flexible work arrangements, and the enforcement of robust anti-discrimination policies and procedures. Collectively, these interventions are geared towards creating a supportive workplace where every employee is valued and respected, thereby fostering a sense of belonging and mutual respect (Dobbin et al., 2015).

In summary, tackling labor market discrimination requires a comprehensive approach that combines targeted interventions with systemic reforms. By implementing evidence-based strategies and promoting a workplace culture that values diversity and inclusiveness, policymakers and organizational leaders can create more equitable and fairer labor markets. This ensures that all employees have the opportunity to excel and make meaningful contributions to their fullest potential.

2.8 Psychological and Sociological Perspectives

Exploring the psychological and sociological foundations is essential for understanding the complex mechanisms that drive discrimination within labor markets. Psychological perspectives, particularly those focusing on cognitive processes such as categorization, stereotyping, and implicit biases, offer valuable insights into the intricacies of discriminatory behavior. Devine's (1989) research on implicit biases, for example, highlights how subconscious associations can influence perceptions and actions towards different social groups, shaping discrimination in employment settings.

Furthermore, Tajfel and Turner's (1986) Social Identity Theory provides a significant framework for examining group identification and intergroup behavior. Their theory explains how individuals categorize themselves and others into distinct groups, fostering both a sense of belonging and differentiation, which in turn contribute to stereotyping and prejudice in organizational contexts.

On a sociological level, emphasizing structural factors and power dynamics unveils the layers of discrimination embedded within societal institutions. Merton's (1957) Conflict Theory explains how resource competition and structural inequalities generate tension and discrimination between dominant and subordinate groups, reinforcing societal hierarchies and perpetuating inequities in the labor market.

Additionally, Symbolic Interactionism, as proposed by Cooley (1902), emphasizes the importance of symbols and interactions in shaping social realities. This perspective highlights that discriminatory practices are not merely reflections of individual biases but are intricately woven into the fabric of social interactions and institutional norm.

Integrating these psychological and sociological theories, it becomes apparent that tackling discrimination requires a multifaceted approach, one that addresses the complex interplay of individual attitudes, social structures, and institutional practices. Initiatives such as diversity training programs, which aim to uncover and mitigate unconscious biases, alongside structural interventions targeting systemic inequalities, emerge as crucial strategies in the pursuit of equitable labor markets (Page-Gould et al., 2008; Dobbin & Kalev, 2016).

By combining insights from psychology and sociology, policymakers, researchers, and practitioners can develop more comprehensive and effective interventions, going beyond surface-level remedies to address the underlying mechanisms of discrimination in the labor market.

2.9 Long-Term Effects of Discrimination

Examining the long-term economic and social consequences of labor market discrimination reveals the profound and enduring impact that discriminatory experiences can have on individuals, families, and communities. Discrimination early in life can shape educational attainment, career trajectories, and economic well-being, perpetuating cycles of disadvantage and inequality (Pager & Shepherd, 2008).

Research indicates that experiences of discrimination during childhood and adolescence can detrimentally affect academic performance and educational attainment (Fryer & Levitt, 2004). Discrimination in educational settings can result in lower levels of academic engagement, reduced self-esteem, and increased risk of dropout among marginalized students (Benner & Graham, 2013). These disparities in educational outcomes can have long-lasting effects on individuals' employment opportunities and economic mobility.

In the labor market, individuals who have experienced discrimination may encounter obstacles to career advancement, restricted access to high-paying jobs, and diminished earnings potential compared to their counterparts (Pager, 2007). Discrimination in hiring and promotion processes can impede individuals' capacity to secure stable employment and accumulate wealth over time, contributing to persistent economic disparities between demographic groups (Bertrand & Mullainathan, 2004).

Moreover, the emotional impact of facing discrimination can result in persistent stress, apprehension, and psychological disorders among those affected (Williams & Mohammed, 2009). Stressors linked to discrimination could worsen prevailing health discrepancies and elevate the likelihood of enduring ailments like high blood pressure, diabetes, and melancholy (Pascoe & Smart Richman, 2009). These health effects may additionally impede individuals from fully engaging in the labor market and attaining financial stability.

Within families and communities, the compounding impact of discrimination may strain interpersonal ties, diminish communal solidarity, and sustain cycles of impoverishment and marginalization (Pager & Shepherd, 2008). Discrimination can foster the passing down of disadvantage across generations, leading to circumstances where children from marginalized backgrounds encounter comparable obstacles and hindrances to achievement as their predecessors (Herring & Henderson, 2017).

Addressing the long-term effects of discrimination requires comprehensive policy interventions that address structural inequalities, promote inclusive educational and employment opportunities, and support the well-being of affected individuals and communities. By investing in targeted interventions and fostering supportive environments, policymakers and organizations can mitigate the long-term consequences of discrimination and promote greater equity and social justice in the labor market.

2.10 Future Directions

Examining the multifaceted nature of labor market discrimination reveals areas where the existing literature can be expanded and refined to provide deeper insights and inform more effective interventions. In considering future research directions, it's imperative to identify gaps and propose avenues for interdisciplinary collaboration, methodological advancements, and exploration of emerging research questions.

One crucial area for future inquiry lies in the intersectionality of various identity markers and their combined impact on labor market outcomes. While past studies have explored discrimination based on singular characteristics such as race, gender, or age, there's a notable gap in understanding how these factors intersect and interact to shape individuals' experiences (Crenshaw, 1989). Embracing intersectional approaches can yield a more nuanced comprehension of privilege and oppression systems, facilitating targeted interventions that address multiple forms of discrimination simultaneously.

Moreover, there's a pressing need to investigate the influence of technology and digital platforms on labor market dynamics. With the increasing reliance on algorithms and artificial intelligence in recruitment and performance evaluation, there's a risk of perpetuating algorithmic bias and digital discrimination (Barocas & Selbst, 2016). Future research should

explore how these technologies impact individuals' access to employment opportunities and equitable treatment, with methodological innovations like computational social science being instrumental in uncovering hidden biases and developing fairness interventions.

Long-term studies can provide insights into how discrimination impacts individuals' lives over time. By tracking groups of people for extended periods, researchers can observe how discrimination at various stages of life influences their careers, finances, and health. These studies can also reveal factors that help individuals overcome discrimination and achieve positive outcomes despite it.

Additionally, it's crucial to thoroughly examine policies and practices to determine their effectiveness in reducing discrimination and promoting inclusivity in workplaces. Comparative studies across different contexts can help identify the most effective approaches. Through collaboration and innovative methods, researchers can contribute to creating a more equitable and inclusive job market for everyone.

2.11 Regional and Cultural Perspectives

Labor market discrimination is a complex phenomenon that manifests differently across global regions and cultures, shaped by various factors such as cultural norms, historical legacies, and institutional frameworks. Understanding these differences is essential for devising effective strategies and policies to address discrimination and promote equality in diverse societal contexts.

Cultural norms wield considerable influence in molding perspectives and actions concerning involvement in the labor market and the continuation of prejudicial behaviors. Long-standing cultural convictions concerning gender roles, racial and ethnic categorizations, and societal rankings have the potential to either bolster discriminatory actions or stimulate forward-looking transformations (Fernandez & Fernandez-Mateo, 2006). For instance, within specific cultural milieus, inflexible gender expectations might fuel the division of jobs along gender lines, thereby engendering notable discrepancies in job prospects and remuneration (Hofstede, 1980).

Historical factors play a fundamental role in shaping labor market discrimination. Legacies of colonialism, slavery, apartheid, and other past injustices continue to influence contemporary labor market dynamics, contributing to enduring disparities across racial, ethnic, and socio-economic groups (Desai & Waite, 1991). These historical influences also shape institutional frameworks governing education, labor laws, and social welfare policies, which can either perpetuate or mitigate discriminatory practices within the labor market (Fryer & Levitt, 2004).

Institutional frameworks, including legal systems, government policies, and labor market regulations, are critical in defining the manifestation and resolution of labor market discrimination. Variations in legal protections, the effectiveness of enforcement mechanisms, and access to legal remedies profoundly impact individuals' ability to challenge discriminatory practices and seek redress (Neumark, 1988). Furthermore, structural aspects of labor markets, such as the presence and influence of trade unions, the prevalence of collective bargaining agreements, and the dynamics of formal versus informal employment sectors, can also influence the occurrence and consequences of discriminatory practices (Kabeer, 2005).

In summary, a comprehensive exploration of regional and cultural viewpoints is essential for a nuanced comprehension of the varied elements influencing discrimination in labor markets. Through scrutinizing the interplay among cultural conventions, historical inheritances, and institutional structures, academics and policymakers can devise interventions tailored to specific contexts, effectively combating discrimination and fostering inclusive labor markets globally. This approach guarantees that initiatives are finely tuned to confront the unique obstacles and potentials presented by individual cultural and regional settings.

2.12 Macroeconomic Implications

A thorough examination of labor market discrimination's macroeconomic implications is crucial for understanding its broader societal effects and guiding policy measures aimed at promoting economic inclusivity and growth. By exploring the various ways in which discriminatory practices in labor markets affect economic productivity, growth trajectories,

and income distribution patterns, we can uncover the profound mechanisms through which such discrimination hinders overall economic prosperity and perpetuates cycles of poverty.

Discrimination in labor markets negatively impacts productivity through the inefficient allocation of human capital. When individuals are denied employment opportunities or relegated to inferior positions based on non-merit-based attributes such as race, gender, or ethnicity, there is a consequent underutilization of skills and talents (Akerlof & Kranton, 2000). This inefficiency not only reduces aggregate productivity but also hampers innovation and economic competitiveness (Blanchflower & Oswald, 2005).

Moreover, labor market discrimination exacerbates economic inequality by widening the chasms in earnings and wealth accumulation. Discriminated individuals often encounter wage disparities, hindered career progression, and restricted access to economic resources, thereby cementing income inequality and perpetuating poverty, especially among marginalized demographics (Pager & Shepherd, 2008; Mason & Goulden, 2004).

Discriminatory practices present significant obstacles to economic growth by limiting labor force participation and entrepreneurial activities. When individuals face barriers in employment or business opportunities due to discrimination, it leads to untapped productive potential, inefficient resource allocation, and reduced economic output (Alesina et al., 2004). Additionally, discrimination undermines social cohesion and trust, which are essential for economic development and societal stability (Putnam, 2007).

Addressing labor market discrimination is essential for promoting inclusive economic growth and reducing income disparities. By implementing policy interventions and strategies that combat discrimination and promote equitable opportunities, governments and institutions can unlock the full potential of the labor force, enhance productivity, and facilitate sustainable economic progress (Darity Jr. & Hamilton, 2012).

2.13 Legal and Regulatory Frameworks – Global

Exploring the evolution of anti-discrimination laws and policies provides critical insights into the efforts to combat labor market discrimination at both national and international levels. Delving into landmark legislation, enforcement mechanisms, and challenges in

implementing and enforcing anti-discrimination measures illuminates the complexities surrounding legal frameworks aimed at promoting equality and fairness in employment.

Enforcement mechanisms are crucial for ensuring the effectiveness of anti-discrimination laws and holding violators accountable. Government agencies, such as the U.S. Equal Employment Opportunity Commission (EEOC) and the UK Equality and Human Rights Commission (EHRC), are tasked with investigating complaints of discrimination, mediating disputes, and enforcing compliance with anti-discrimination laws (U.S. Equal Employment Opportunity Commission, 1964; Equality and Human Rights Commission, 2006). These agencies play a pivotal role in promoting awareness of individuals' rights and providing recourse for victims of discrimination.

However, implementing and enforcing anti-discrimination measures often face significant challenges, including underreporting of discrimination, insufficient legal remedies, and systemic barriers to accessing justice. Discrimination may be covert or subtle, making it difficult to detect and prove, particularly in cases of disparate treatment or unconscious bias (Dobbin & Kalev, 2016). Moreover, legal frameworks may be inadequate or outdated, failing to address emerging forms of discrimination or protect marginalized groups effectively.

2.14 Organizational Dynamics

Exploring organizational structures, workplace cultures, and management practices provides valuable insights into understanding the prevalence of discrimination in employment settings. By analyzing how these factors influence discriminatory behaviors, organizations can develop strategies to promote diversity, equity, and inclusion, fostering inclusive work environments and effectively combating discrimination.

Organizational structures significantly shape the prevalence of discrimination within workplaces. Hierarchical structures, bureaucratic processes, and centralized decision-making can create barriers to equal opportunities and perpetuate discriminatory practices (Rynes et al., 2002). Additionally, factors such as organizational size, industry sector, and geographic location may influence the extent of discrimination, with smaller organizations

and certain industries facing unique challenges in promoting diversity and inclusion (Friedman & Greenhaus, 2000).

Workplace cultures also play a crucial role in influencing the prevalence of discrimination by shaping employees' attitudes, behaviors, and interactions. Cultures that prioritize meritocracy, respect for diversity, and inclusive leadership tend to foster environments where discrimination is less tolerated and diversity is celebrated (Ely & Thomas, 2001). Conversely, cultures characterized by stereotypes, biases, and exclusionary practices can perpetuate discriminatory behaviors, hindering efforts to create inclusive workplaces.

Management practices, including recruitment and selection processes, performance evaluations, and promotion decisions, play a critical role in either perpetuating or mitigating discrimination within organizations. Biased decision-making, lack of transparency, and subjective criteria for evaluating employee performance can contribute to disparities in hiring, pay, and career advancement opportunities (Castilla & Benard, 2010). Implementing evidence-based practices, such as structured interviews, diversity training, and performance metrics tracking, can help mitigate the influence of bias and promote fairness in decision-making processes (Herring, 2009).

Effective strategies for promoting diversity, equity, and inclusion within organizations encompass a range of initiatives aimed at addressing systemic barriers and fostering a culture of belonging for all employees. These may include establishing diversity and inclusion councils, implementing mentorship and sponsorship programs for underrepresented groups, and conducting regular diversity audits to assess progress and identify areas for improvement (Kalev et al., 2006). Moreover, fostering leadership commitment, accountability, and transparency in diversity initiatives is essential for driving meaningful change and creating sustainable organizational cultures of inclusion (Thomas & Gabarro, 1999).

In summary, analyzing organizational dynamics offers valuable insights into understanding the prevalence of discrimination in employment and identifying strategies for promoting diversity, equity, and inclusion within organizations. By addressing systemic barriers, fostering inclusive cultures, and implementing evidence-based practices, organizations can create environments where all employees feel valued, respected, and empowered to contribute their full potential.

2.15 Social Movements and Activism

Examining the role of social movements, advocacy groups, and grassroots activism provides insight into their efforts to challenge labor market discrimination and effect social change. By studying examples of successful campaigns and their impact on policy-making and public awareness, one can understand the transformative potential of collective action in combating discrimination and promoting equality in employment.

Social movements and advocacy organizations play a vital role in increasing awareness of discrimination in the labor market, amplifying the voices of marginalized communities, and rallying support for policy reform. By organizing protests, marches, online petitions, and social media campaigns, these movements shine a spotlight on discriminatory behaviors, push for changes in legislation, and apply pressure on policymakers and employers to address systemic injustices (McAdam et al., 2001). For example, the Civil Rights Movement in the United States mobilized millions of individuals to call for an end to racial segregation and discrimination in employment, ultimately leading to groundbreaking legislative measures like the Civil Rights Act of 1964 (Morris, 1984).

Grassroots activism empowers individuals and communities to organize locally and effect change from the bottom up. Community-based organizations, labor unions, and advocacy coalitions work collaboratively to address specific instances of discrimination, provide support to affected individuals, and advocate for systemic reforms (Minkoff, 1997). Grassroots initiatives often focus on building alliances across diverse constituencies, leveraging collective resources, and engaging in direct action tactics to challenge discriminatory practices and promote social justice (Ganz, 2000).

Successful efforts to combat labor market discrimination have yielded concrete policy modifications and transformations in societal attitudes towards diversity and inclusivity. For instance, the #MeToo movement, born out of a need to address pervasive sexual harassment and assault in workplaces, has catalyzed a global movement against gender-based discrimination, prompting revisions in corporate policies, legal structures, and cultural norms (Dias et al., 2020). Similarly, advocacy for equitable wages, workplace accommodations for people with disabilities, and safeguards for LGBTQ+ employees has resulted in legislative triumphs and heightened societal acknowledgment of the rights of marginalized communities (Aronowitz, 2013).

Moreover, social movements and activism contribute to broader shifts in organizational practices, corporate culture, and societal norms regarding diversity and inclusion. By challenging discriminatory attitudes and behaviors, raising awareness of systemic inequalities, and promoting accountability for violators, these movements catalyze cultural change within institutions and society at large (Bendick Jr et al., 2010). However, sustaining momentum and achieving lasting change require ongoing advocacy efforts, coalition building, and strategic engagement with policymakers and stakeholders (Klandermans & Oegema, 1987).

In summary, exploring the role of social movements and activism provides valuable insights into the efforts to challenge labor market discrimination and advance social change. By highlighting examples of successful campaigns and their impact on policy-making and public awareness, we can recognize the transformative potential of collective action in promoting equality, diversity, and inclusion in employment.

2.16 Ethical Considerations

Exploring the ethical implications of labor market discrimination is essential for understanding its violation of human rights, principles of fairness, and social justice. Reflecting on the ethical dilemmas faced by policymakers, employers, and individuals in addressing discriminatory practices illuminates the complexities surrounding moral decision-making and the pursuit of equitable employment opportunities.

Labor market discrimination fundamentally violates the principles of human rights by denying individuals equal opportunities for employment, fair treatment in the workplace, and access to economic resources based on immutable characteristics such as race, gender, ethnicity, or disability (United Nations, 1948). Discriminatory practices perpetuate systemic inequalities, undermine individuals' dignity and autonomy, and hinder the realization of social and economic rights enshrined in international human rights instruments (International Labour Organization, 1958).

Moreover, labor market discrimination contravenes principles of fairness and social justice by perpetuating disparities in income, wealth, and social status, which exacerbate existing inequalities and limit individuals' life chances and opportunities for upward mobility (Rawls,

1971). Discriminatory practices not only harm individuals directly affected but also erode trust in institutions, undermine social cohesion, and perpetuate cycles of poverty and marginalization (Sen, 1999).

Addressing labor market discrimination raises ethical dilemmas for policymakers, employers, and individuals alike. Policymakers must balance the imperative to promote equality and protect human rights with competing considerations such as economic efficiency, political feasibility, and cultural norms (Miller, 2007). Crafting and implementing effective anti-discrimination measures require navigating complex trade-offs between regulatory intervention and market autonomy, individual rights and collective well-being, and short-term gains and long-term social change (Freeman, 1987).

Employers face ethical challenges in creating inclusive workplaces that uphold principles of fairness, respect, and dignity for all employees. Balancing business imperatives with ethical responsibilities requires adopting proactive measures to prevent discrimination, promote diversity and inclusion, and foster a culture of accountability and transparency (Hartman et al., 2003). However, addressing implicit biases, systemic barriers, and power imbalances within organizations may necessitate difficult conversations, structural reforms, and sustained commitment to change (Greenwood, 2002).

Individuals also confront ethical dilemmas in navigating labor market discrimination, from deciding whether to challenge discriminatory practices and risk retaliation to advocating for systemic reforms and collective action (Devinney et al., 2010). Speaking out against injustice, supporting affected individuals, and promoting allyship and solidarity require moral courage, empathy, and a commitment to fairness and social justice (Staub, 2003). However, individuals may face personal and professional repercussions for challenging the status quo, highlighting the tension between individual conscience and self-preservation (Nash, 2017).

In summary, considering the ethical dimensions of labor market discrimination deepens our understanding of its implications for human rights, fairness, and social justice. Reflecting on the ethical dilemmas faced by policymakers, employers, and individuals underscores the moral imperatives and challenges inherent in addressing discriminatory practices and promoting equality in employment.

2.17 Intersectionality and Multiple Forms of Discrimination

Examining intersectionality and multiple forms of discrimination provides a deeper understanding of how intersecting social identities, such as race, gender, and class, produce unique experiences of discrimination. Investigating how individuals may face multiple forms of discrimination simultaneously sheds light on the compounded effects on their economic opportunities and well-being, highlighting the complexities of addressing systemic inequalities.

Understanding the complex interplay of social identities sheds light on the distinct forms of discrimination individuals may experience. Those holding multiple privileged identities may enjoy certain advantages, while individuals situated at the intersections of marginalized identities often face compounded forms of discrimination and exclusion (Bowleg, 2008). To illustrate, individuals within the LGBTQ+ community who also identify as people of color may confront bias not solely attributable to their sexual orientation or gender identity, but also as a consequence of their racial or ethnic heritage. This results in intersecting instances of being marginalized and feeling overlooked (Meyer, 2003).

Moreover, individuals may face multiple forms of discrimination simultaneously across various domains of life, including employment, education, healthcare, and housing. For example, individuals with disabilities who are also racial minorities or LGBTQ+ may encounter barriers to employment due to both ableism and discrimination based on race or sexual orientation (Morris et al., 2017). These intersecting forms of discrimination can limit individuals' access to economic opportunities, social resources, and quality of life, exacerbating existing disparities and perpetuating cycles of marginalization (Sue et al., 2019).

To comprehend the compounded impacts of intersecting discrimination on individuals' economic prospects and welfare, it is essential to employ an intersectional viewpoint in research, policy formulation, and practical implementation. Such approaches underscore the significance of acknowledging the distinct encounters and requirements of marginalized communities, prioritizing their viewpoints and insights in endeavors to combat systemic disparities (Hankivsky, 2014). By acknowledging the interrelatedness of social identities and power dynamics, policymakers, employers, and activists can devise more encompassing and

efficient approaches to foster fairness, diversity, and inclusivity in the labor arena and other spheres.

In summary, examining intersectionality and multiple forms of discrimination deepens our understanding of the complexities of systemic inequalities and their impacts on individuals' economic opportunities and well-being. By recognizing the intersecting nature of privilege and oppression, we can develop more nuanced approaches to address discrimination and promote social justice in diverse and inclusive societies.

2.18 Methodological Approaches

Exploring methodological considerations and challenges in studying labor market discrimination is crucial for advancing our understanding of this complex phenomenon. By addressing issues such as data limitations, measurement challenges, and research design complexities, researchers can enhance the rigor and validity of their studies. Moreover, investigating innovative methodologies and approaches can facilitate new insights and perspectives on labor market discrimination.

A significant obstacle in examining labor market discrimination lies in the accessibility and reliability of data. Numerous datasets often lack comprehensive details on crucial factors like race, gender, or disability status, hindering precise analysis of discriminatory trends (Pager & Shepherd, 2008). Additionally, self-reported data on discrimination may suffer from reporting biases, social desirability influences, and recall inaccuracies, thereby undermining the credibility of results (Schmitt et al., 2014). Researchers must meticulously weigh the advantages and drawbacks of existing data sources and utilize robust sampling methods to secure representative samples and mitigate selection biases.

Measurement issues pose another methodological challenge in studying labor market discrimination. Defining and operationalizing discrimination constructs such as wage differentials, hiring biases, or promotion disparities require careful consideration of conceptual frameworks and measurement validity (Pager & Quillian, 2005). Researchers must develop reliable and valid measures of discrimination that capture both overt and covert

forms of bias and account for contextual factors such as industry norms, organizational practices, and cultural dynamics (Bertrand & Mullainathan, 2004).

Research design complexities further complicate efforts to study labor market discrimination. Establishing causal relationships between discriminatory practices and employment outcomes often requires longitudinal or experimental designs that control for confounding variables and isolate the effects of discrimination (Pager et al., 2009). However, conducting randomized controlled trials or longitudinal studies may pose practical and ethical challenges, such as sample attrition, treatment contamination, or participant harm (O'Neil et al., 2014). Researchers must balance methodological rigor with ethical considerations and strive to employ innovative designs that maximize internal validity while minimizing external validity threats.

Exploring innovative methodologies and approaches can enrich ones understanding of labor market discrimination and generate new insights into its mechanisms and consequences. For example, computational techniques such as machine learning algorithms and natural language processing can analyze large-scale datasets and identify patterns of discrimination that may not be apparent through traditional statistical methods (Dastin et al., 2020). Similarly, qualitative research methods such as in-depth interviews, focus groups, or ethnographic observations can capture the subjective experiences and perspectives of marginalized groups, providing rich contextual insights into the dynamics of discrimination (Bonilla-Silva, 2014).

In summary, discussing methodological approaches and challenges in studying labor market discrimination is essential for advancing knowledge in this field. By addressing data limitations, measurement issues, and research design complexities, researchers can enhance the rigor and validity of their studies. Moreover, exploring innovative methodologies and approaches can facilitate new insights and perspectives on the complex dynamics of discrimination in the labor market.

2.19 Labor Market Discrimination in Georgia

Georgia, positioned at the intersection of Europe and Asia, has witnessed substantial socioeconomic changes following its independence in 1991. Despite strides toward

economic development, the country grapples with labor market discrimination, a common challenge in transitional economies, which hampers individuals' access to employment, fair wages, and career progression (Kobakhidze, 2020).

Labor market discrimination in Georgia is multifaceted, impacting various demographic groups. Ethnic minorities, residing in regions with historical ethnic tensions, encounter barriers to equal employment opportunities, leading to marginalization in both formal and informal sectors (Sarishvili & Milorava, 2019). Similarly, gender-based discrimination persists, with women experiencing wage disparities and limited representation in leadership positions despite increased educational attainment and workforce participation rates (Iashvili & Kvirkvelia, 2018).

To address these challenges, Georgia has enacted legislation such as the Law on Elimination of All Forms of Discrimination in 2014. This law serves as a foundation for safeguarding individuals' rights and promoting equality in employment (Government of Georgia, 2014). However, enforcement mechanisms may be lacking in efficacy, hindering the implementation and enforcement of anti-discrimination laws (Amaglobeli & Darchia, 2017).

Moving forward, Georgia could consider innovative policy interventions to combat labor market discrimination comprehensively. Strengthening enforcement mechanisms, promoting diversity and inclusion in workplaces, launching educational campaigns, and enhancing data collection efforts are potential avenues for improvement (National Statistics Office of Georgia, 2020).

In summary, combatting labor market discrimination in Georgia demands coordinated action on various fronts, including legislative adjustments, awareness initiatives, and cooperation among stakeholders. Through the promotion of inclusive policies and the cultivation of a climate of respect and acceptance, Georgia can achieve its goal of establishing a just and impartial labor market, enabling everyone to flourish and play a part in the nation's socio-economic progress.

2.20 Socioeconomic Context of the Georgian Labor Market

Georgia's labor market is intricately linked with a complex array of socioeconomic elements, comprising historical inheritances, customary practices, and institutional structures.

Following its independence in 1991, Georgia has undergone a sequence of profound transformations that have greatly molded its labor environment. These elements are pivotal in shaping various aspects of the labor market, such as employment trends, wage gaps, and the availability of opportunities (Gogishvili & Tukhashvili, 2018).

At the heart of Georgia's socioeconomic fabric lies its diverse population, characterized by a rich tapestry of ethnic, religious, and linguistic groups. This diversity contributes to the nation's cultural richness but also poses challenges in fostering social cohesion and mitigating discriminatory attitudes. Historical legacies, including the legacy of Soviet-era policies and ethnic tensions, continue to influence social relations and perceptions within the labor market (Kakulia, 2017).

Moreover, Georgia's economic landscape has undergone significant transformations, driven by processes of economic restructuring and globalization. These shifts have reshaped labor demand, leading to changes in employment patterns and occupational structures. While certain sectors have experienced growth and modernization, others have faced challenges, contributing to disparities in job availability and income distribution (Sulaberidze & Tukhashvili, 2019).

As Georgia progresses within the global economy, it grapples with the twin task of leveraging the benefits of globalization while confronting the enduring socioeconomic gaps within its labor sphere. Grasping the nuanced interaction among historical, cultural, and economic elements is crucial for formulating successful strategies and actions to promote inclusive development and mitigate labor market discrimination in Georgia.

2.21 Manifestations of Discrimination in the Georgian Labor Market

In Georgia's labor market, discrimination appears in various forms, including factors like ethnicity, religion, age, disability, and gender identity. Despite legal measures aimed at fostering fairness, several marginalized communities encounter persistent obstacles that hinder their entry into jobs, equitable pay, and professional progress (Svanidze & Abuladze, 2020).

Ethnic minorities and individuals with disabilities encounter significant obstacles when seeking employment in Georgia. Discriminatory attitudes and stereotypes prevalent in

society contribute to their marginalization, resulting in disproportionately high rates of unemployment and underemployment among these groups (Sulaberidze & Tukhashvili, 2019). Moreover, ethnic minorities often face linguistic barriers and cultural biases that hinder their integration into the labor market.

In Georgia, gender-based discrimination persists, leading to disparities in pay and restricted opportunities for women to attain leadership roles. Despite constituting a substantial portion of the workforce and attaining higher educational levels compared to men, women frequently find themselves relegated to lower-paying industries and encounter hurdles in advancing their careers (Gogishvili & Tukhashvili, 2018). This imbalance not only sustains economic inequity but also reinforces entrenched gender norms and stereotypes in society.

Combating these various forms of discrimination demands comprehensive strategies involving legislative changes, awareness initiatives, and specific interventions. Through initiatives promoting diversity, nurturing inclusive work environments, and confronting discriminatory behaviors, Georgia can cultivate a labor market where every individual has equitable opportunities, irrespective of their background or identity.

2.22 Existing Policies Addressing Discrimination in the Georgian Labor Market

Georgia has implemented legislative measures to combat discrimination within its labor market, aiming to uphold principles of equality and fairness. The enactment of the Law on Elimination of All Forms of Discrimination in 2014 represents a significant step towards safeguarding individuals' rights and promoting inclusive employment practices (Government of Georgia, 2014).

The legislation against all types of discrimination, as outlined in the Law on Elimination of All Forms of Discrimination, prohibits unfair treatment based on factors such as race, ethnicity, gender, age, disability, and religion. This legal provision offers individuals a structured mechanism to address instances of discrimination in employment, providing a foundation for seeking remedies against discriminatory acts (Legal Aid Service, 2015).

Moreover, Georgia's commitment to combating discrimination is underscored by its ratification of international conventions and treaties aimed at promoting equality and non-

discrimination in employment. The country's adherence to conventions such as the International Labour Organization's Discrimination (Employment and Occupation) Convention reinforces its commitment to upholding international standards of human rights and labor rights (International Labour Organization, 2023).

Despite these legislative and policy measures, challenges remain in effectively enforcing anti-discrimination laws and ensuring compliance among employers. Weak enforcement mechanisms, limited awareness of rights among workers, and cultural attitudes that perpetuate discriminatory practices pose obstacles to realizing the full potential of existing policies in combating labor market discrimination (United Nations Development Programme, 2019).

To tackle these obstacles, it is essential to raise awareness, bolster enforcement procedures, and cultivate an environment of inclusiveness and dignity within workplaces. Through fostering partnerships between governmental bodies, civil society groups, and employers, Georgia can strive to establish a labor market where everyone has equitable opportunities, regardless of their individual backgrounds or identities.

2.23 Challenges and Opportunities in Combating Labor Market Discrimination (Georgia)

Despite legislative efforts aimed at addressing labor market discrimination, several challenges persist, creating barriers to effective enforcement and mitigation of discriminatory practices in Georgia. These challenges present opportunities for comprehensive strategies to promote awareness and foster a culture of inclusivity within the labor market.

One significant challenge lies in the efficacy of enforcement mechanisms associated with anti-discrimination laws. While legislation may exist to protect against discriminatory practices, the enforcement of these laws may be inadequate due to factors such as limited resources, bureaucratic inefficiencies, and lack of capacity within regulatory bodies (United Nations Development Programme, 2019). This gap between policy intent and implementation undermines the effectiveness of legal protections and leaves individuals vulnerable to discrimination.

Moreover, cultural norms and societal attitudes play a significant role in perpetuating discriminatory practices within the labor market. Deep-rooted biases, stereotypes, and prejudices based on factors such as ethnicity, gender, age, and disability can shape hiring decisions, workplace interactions, and promotional opportunities (Svanidze & Abuladze, 2020). Overcoming these entrenched attitudes requires concerted efforts to promote awareness, challenge stereotypes, and foster a more inclusive and tolerant society.

However, these challenges also present opportunities for proactive intervention and policy development. Strengthening enforcement mechanisms through capacity-building initiatives, training programs for law enforcement agencies, and public awareness campaigns can enhance compliance with anti-discrimination laws and promote accountability among employers (European Union Monitoring Mission in Georgia, 2020). Additionally, promoting diversity and inclusion initiatives within workplaces can help challenge discriminatory norms and create environments that value and respect individuals' differences (Kakulia, 2017).

By addressing these challenges and seizing opportunities for reform, Georgia can advance towards a labor market that is more equitable, inclusive, and conducive to the realization of individuals' rights and potentials.

3 Aim

In the pursuit of a comprehensive understanding of the wage disparities within the Georgian labor market, this study is meticulously designed to unravel the complexities of wage differentials across various demographic segments—gender, ethnicity, and age. The exploration is rooted in the context of Georgia's evolving socio-economic landscape, where understanding labor market dynamics is crucial for both academic enrichment and policy formulation.

The main objective of this study is to systematically measure and examine the wage gaps prevalent in the labor market of Georgia. This entails a thorough analysis of the wage differences encountered by various demographic groups, aiming to gain a detailed insight into how labor is valued economically in Georgia. The inquiry will not be limited to quantification alone but will also delve into the complex array of factors influencing these wage gaps. By scrutinizing the components contributing to wage disparities—including education level, employment sector, and professional background—the research seeks to elucidate the observable traits that influence wage outcomes.

A particularly intriguing aspect of this inquiry is the exploration of the education-wage paradox in Georgia, where despite higher educational achievements, women find themselves at a disadvantage in wage comparisons. This segment of the study is not merely an academic exercise but a crucial inquiry into the structural inequities that may underlie such paradoxes. Through this lens, the research endeavors to uncover the systemic biases or inefficiencies that contribute to the undervaluation of women's educational advancements in the labor market.

The implications of this research are manifold, extending beyond the academic realm to influence policy discourse in Georgia. By providing empirically grounded insights into the wage disparities that characterize the Georgian labor market, this study aims to inform the development of policies that aspire to foster equity and inclusivity in the labor domain. The ultimate goal is to offer recommendations that not only address the symptoms of wage disparities but also tackle their underlying causes, paving the way for a more equitable labor market landscape in Georgia.

In addition to its immediate objectives, this research is poised to lay the groundwork for future academic endeavors. By highlighting the gaps in our current understanding and suggesting avenues for further investigation, the study aims to catalyze continued scholarly engagement with the critical issue of wage disparities in Georgia.

In sum, this research is an ambitious endeavor to decipher the multifaceted nature of wage disparities in the Georgian labor market, aiming to contribute valuable insights to the fields of labor economics and public policy while laying a foundation for future scholarly exploration.

4 Methodology - Blinder-Oaxaca decomposition

The empirical strategy used in this study – Blinder-Oaxaca decomposition (Oaxaca, 1973; Blinder, 1973) in its general form (see Neumark (1988) and Oaxaca and Ransom (1988, 1994)) - is a well-known technique widely applied when studying mean outcome differences between groups. The intuition behind the method is that it decomposes the mean difference between the outcome variable of the two groups into two parts. The first part – explained by endowments (observable characteristics that are controlled for in the model), second – unexplained part, stemming from the differences in returns to these endowments, often attributed to discrimination or some unobservable characteristics that are omitted from the model.

For illustration,

$$E(Y_A) = \hat{\beta}_A \underline{X}_A'$$
$$E(Y_B) = \hat{\beta}_B \underline{X}_B'$$

If these are two regression models estimated separately for the two groups (B being the minority group) where Y is an outcome variable, X is a vector containing mean predictor values and a constant and vector contains the slope parameters as well as the intercept, then the mean difference between the two groups will be expressed as: $\hat{R} = E(Y_A) - E(Y_B)$. The proposed technique decomposes this difference into two parts in the following manner:

$$\hat{R} = (\underline{X}_A - \underline{X}_B)'\hat{\beta} + [\underline{X}_A'(\hat{\beta}_A - \hat{\beta}^*) + \underline{X}_B'(\hat{\beta}^* - \hat{\beta}_B)]$$

Explained Unexplained

where * is the estimate of a nondiscriminatory coefficient vector. There are different ways for estimating nondiscriminatory coefficient vector. The technique used in this study proposed by Asali (2010) analyzes two different scenarios: “enrichment experiment” (EE) when minority group is hypothetically assigned the other group’s average human capital characteristics while maintaining their original returns to those characteristics (*=B) and “civil rights experiment” (CRE) when minority group is assumed to have the other group’s

returns to human capital (*=A), while maintaining their original levels of human capital characteristics.

In the present study three models will be estimated with respect to the three equality areas, each of them with two specifications in terms of explanatory variables and under two scenarios defined above.

5 Wage Differences in Georgia

This study employs the Blinder-Oaxaca decomposition method to analyze wage gaps in Georgia, focusing on the period from 2003 to 2022, with particular attention on the year 2019. This year is selected as a focal point to avoid the complexities introduced by the COVID-19 pandemic, thus providing a clear view of the wage gap trends without the pandemic's confounding effects. The choice of this time frame allows for an in-depth examination of the wage dynamics leading up to a significant global event, offering insights into the pre-pandemic state of wage disparities.

The data presented in the accompanying graph illustrates the wage differences between males and females over these two decades, highlighting a persistent gap. The graph, titled 'Gender Wage Gap in Georgia (2003-2022)', showcases the annual wage disparity, providing a visual representation of the trends over time.

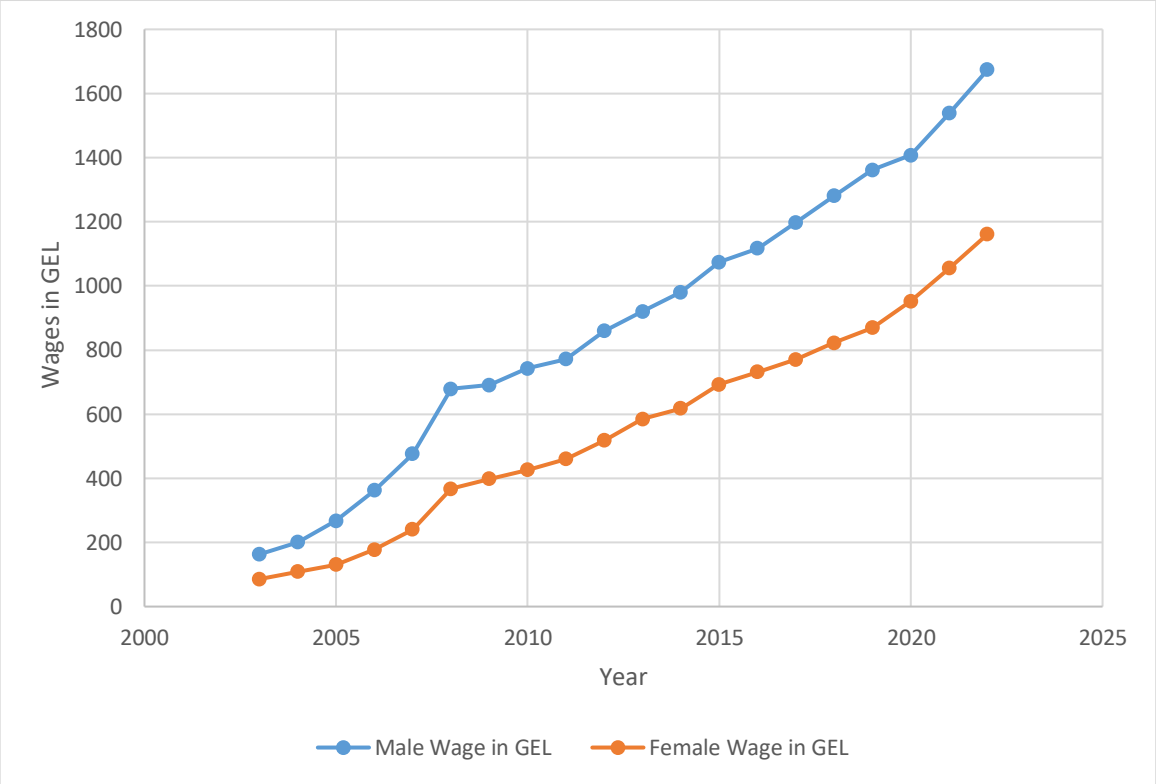
Table 1: Gender Wage Gap in Georgia (2003-2022)

YEAR	MALE WAGE IN GEL	FEMALE WAGE IN GEL	WAGE DIFFRENCES	WAGE DIFFRENCES IN %
2003	163	85.7	77.3	47.42%
2004	200.8	108.3	92.5	46.07%
2005	267.9	131.1	136.8	51.06%
2006	362	177.6	184.4	50.94%
2007	475.6	240.2	235.4	49.50%
2008	678.4	367.7	310.7	45.80%
2009	690.8	398.3	292.5	42.34%
2010	742.8	426.6	316.2	42.57%
2011	771.1	460.2	310.9	40.32%
2012	859.6	517.9	341.7	39.75%
2013	920.3	585	335.3	**36.43%**
2014	980	617.9	362.1	**36.95%**
2015	1074.3	692.5	381.8	**35.54%**
2016	1116.6	731.2	385.4	**34.52%**
2017	1197.4	770.2	427.2	**35.68%**
2018	1280.7	822.6	458.1	**35.77%**
2019	1361.8	869.1	492.7	**36.18%**
2020	1407.7	952.2	455.5	*32.36%*
2021	1537.9	1055.5	482.4	*31.37%*
2022	1673.8	1161.2	512.6	*30.62%*

Source: Author's computation based on data from the National Statistics Office of Georgia, (2003-2022).

Utilizing data from the National Statistics Office of Georgia, this study dissects wage information for employed individuals, converting wage intervals into continuous data for robust analysis. The table, which articulates the wage differences between genders over twenty years, serves as a fundamental empirical basis for this exploration. For instance, the table reveals a marked wage disparity in 2019, where males earned on average 492.7 GEL more than females, illustrating the gender wage gap's persistence pre-pandemic.

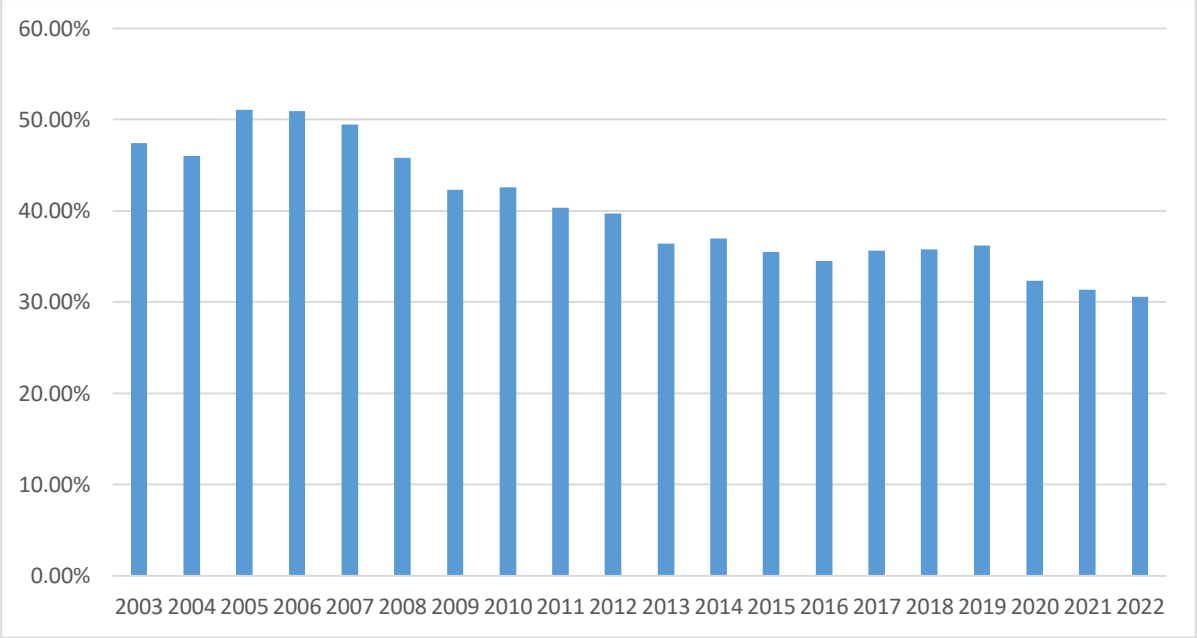
Figure 1: Gender Wage Gap in Georgia (2003-2022)



Source: Author's computation based on data from the National Statistics Office of Georgia, (2003-2022)

This graph depicts the annual wage differences between males and females in Georgia from 2003 to 2022, underscoring the persistent wage gap over the years.

Figure 2: Gender Wage differences in %, in Georgia (2003-2022)



Source: Author's computation based on data from the National Statistics Office of Georgia, (2003-2022)

Following the graphical exposition of annual wage differences in Georgia, this investigation meticulously examines the labor market dynamics of 2019, offering a pre-pandemic lens on wage disparities. The Labor Force Survey of 2019, orchestrated by the National Statistics Office of Georgia, provides a detailed backdrop, capturing demographic and labor market characteristics of individuals aged 15 and above. In the preliminary phase of data preparation, self-employed individuals were excluded to hone in on wage employment, leading to the construction of dummy variables for gender, ethnicity, and age.

The disaggregated examination of employment rates unveils significant variations, particularly across age groups, with a notable decline in employment observed among older individuals. However, the employment disparities related to gender and ethnicity present a more intricate challenge. The lower employment rates among women and ethnic minorities could stem from an array of factors, including less robust networks that impede job search efforts, as highlighted by Altonji (1999). Moreover, employment discrimination, particularly at the hiring stage, emerges as a tangible barrier, especially for ethnic minorities, a phenomenon substantiated by Asali, Pignnatti, & Skhirtladze (2018). Such disparities might

also be influenced by personal decisions shaped by entrenched social norms, adding layers of complexity to the gender and ethnicity employment gaps.

5.1 Wage Differences in Georgia in 2019

The focused subsample of 13,510 employed individuals with positive earnings sets the stage for an in-depth analysis, exploring variables like wages, education, marital status, and sector of employment across different demographic groups. This detailed scrutiny aims to unravel the multifaceted determinants of wage disparities in Georgia, shedding light on the interplay of various factors that contribute to the observed wage gaps.

This comprehensive approach to data preparation and analysis, enriched by a nuanced understanding of the underlying factors influencing employment disparities, not only solidifies the study's findings but also aligns with the broader academic discourse on labor market inequalities. Through this meticulous examination, the study aspires to offer insightful contributions to the policy dialogue, aimed at crafting a more equitable labor market landscape in Georgia.

Table 2. Proportion of employed individuals in groups

Gender		**Ethnicity**		**Age**	
Men	*Women*	*Georgian*	*Non-Georgian*	*15-60*	*60+*
44.93%	34.01%	40.35%	24.80%	45.82%	18.94%

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019

Notes: Self-employed people are excluded.

Table 2 presents a nuanced view of employment rates across various demographics, highlighting significant disparities. Particularly, the employment rates are categorized by gender, ethnicity, and age—showing distinct variations across these groups. For instance, men exhibit a higher employment rate (44.93%) compared to women (34.01%), and similar disparities are evident when comparing Georgian (40.35%) to non-Georgian (24.80%) and those aged 15-60 (45.82%) to those over 60 (18.94%).

Such statistical breakdowns are not mere numbers; they narrate the story of societal and economic dynamics. The lower employment rates among women and ethnic minorities could be attributed to several factors, including weaker professional networks, which are pivotal

in job searches (Altonji, 1999), or potential discrimination during the hiring process, particularly observed in the context of ethnicity (Asali, Pignnatti, & Skhirtladze, 2018). These figures set a foundation for a deeper exploration into the intricacies of the labor market.

As a next step to proceeding with the analysis of wage gaps the sample was restricted to employed individuals with positive net earnings which resulted in the subsample with 13510 observations. Presented below (Table3) are summary statistics of some variables across groups:

Table 3. Summary statistics with respect to gender

	MEN	WOMEN	DIFFERENCE
WAGE	692.38	507.44	184.94*** (7.2032) [0.000]
AGE	44.62	42.48	2.14*** (0.24)
SCHOOLING (0-4 YEARS)	0.20%	0.13%	0.07% (0.0007)
SCHOOLING (9 YEARS)	3.16%	1.80%	1.36% ***(0.0026)
SCHOOLING (12 YEARS)	34.63%	18.58%	16.05%*** (0.0074)
SCHOOLING (13-16 YEARS)	31.99%	34.77%	-2.78% ***(0.0081) [0.001]
SCHOOLING (16+ YEARS)	30.02%	44.72%	-14.70%*** (0.0083)
MARRIED	72.09%	61.28%	10.81% ***(0.0081)
URBAN	67.07%	72.56%	-5.49%*** (0.0079)
TBILISI	29.03%	32.19%	-3.44%*** (0.0084)
FULL TIME	97.72%	95.19%	2.53%*** (0.0032)
HOURS WORKED WEEKLY	48.16	40.18	7.98*** (0.2394)
PRIVATE SECTOR	67.58%	57.79%	-9.80%*** (0.0083)
OBSERVATIONS	6 485	7 025	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019

Notes: given are (weighted) average values of the variables

years of education are approximated based on the level of education attained by a person

standard errors in parentheses; p-values from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 4: Description of the Schooling

SCHOOLING (0-4 YEARS)	ISCED 1	Primary education (basic education typically starting at age 6 or 7, covering primary grades)
SCHOOLING (9 YEARS)	ISCED 2	Lower secondary education (builds upon primary education, typically completed by age 15 or 16)
SCHOOLING (12 YEARS)	ISCED 3	Upper secondary education (preparatory education for higher education or workforce, completed by age 18)
SCHOOLING (13-16 YEARS)	ISCED 4, ISCED 5, ISCED 6	Post-secondary and tertiary education including bachelor's
SCHOOLING (16+ YEARS)	ISCED 7	Tertiary education (includes, master's, doctoral, or equivalent levels of education)

Source: European Commission. International Standard Classification of Education (ISCED). Eurostat. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=International_Standard_Classification_of_Education_(ISCED)#Background

Progressing to Table 3, the focus shifts to a comprehensive wage analysis, where a palpable wage gap between genders emerges, further nuanced by differences in educational attainment, marital status, urban versus rural residency, and the dichotomy between public and private sector employment. Intriguingly, despite higher educational achievements, women's wages remain substantially lower than those of men, a paradox that highlights the undervaluation of educational credentials for women in the wage determination process and possibly signifies a pervasive glass ceiling effect.

The examination of job-specific attributes unveils another layer of complexity, illustrating that men not only engage in longer work hours but also predominantly occupy positions in the private sector, which is generally associated with higher wage levels (Schanzenbach, 2015). This delineation is instrumental in deciphering the structural and occupational factors

that perpetuate wage disparities, advocating for a nuanced policy approach to rectify these imbalances.

In synthesizing this comprehensive analysis, the exploration transcends mere data representation, engaging with the broader academic dialogue on labor market disparities. By dissecting the intricate layers of employment and wage statistics, this discussion contributes significantly to the discourse on labor economics, providing a solid foundation for future research and policy formulation aimed at mitigating wage disparities and enhancing labor market equity in Georgia.

Table 5: Summary statistics with respect to ethnicity

	GEORGIAN	NON-GEORGIAN	DIFFERENCE
WAGE	601.99	496.74	105.25*** (14.92) [0.000]
AGE	43.60	43.77	-0.17 (0.4923)
SCHOOLING (0-4 YEARS)	0.05%	1.71%	-1.66%*** (0.0014)
SCHOOLING (9 YEARS)	2.08%	7.64%	-5.56% ***(0.0054)
SCHOOLING (12 YEARS)	25.03%	42.98%	-17.95%*** (0.0153)
SCHOOLING (13-16 YEARS)	34.11%	23.98%	10.13%*** (0.0165)
SCHOOLING (16+ YEARS)	38.72%	23.69%	15.03%*** (0.0169)
MARRIED	66.60%	63.67%	2.93%* (0.0165)
URBAN	70.46%	62.64%	7.82%*** (0.0160)
TBILISI	38.20%	37.47%	0.73% (0.0170)
FULL TIME	96.33%	97.15%	0.82% (0.0065)
HOURS WORKED WEEKLY	43.94	44.30	-0.36 (0.5049)
PRIVATE SECTOR	62.04%	68.08%	-6.04%*** (0.0169)
OBSERVATIONS	12 676	834	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: given are (weighted) average values of the variables

years of education are approximated based on the level of education attained by a person

standard errors in parentheses; p-values from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 5 offers an in-depth examination of summary statistics segmented by ethnicity, delineating the disparities between Georgian and non-Georgian populations within the labor market. This table presents a nuanced comparison of various metrics, including wages, age distribution, educational attainment, marital status, urban residency, and employment characteristics, thereby shedding light on the intricate fabric of ethnic differences in employment and wage dynamics.

Notably, the average wage for Georgians stands at 601.99, markedly higher than the 496.74 for non-Georgians, illustrating a significant wage differential. Educational attainment further accentuates the ethnic divide, with Georgians displaying higher percentages in advanced education levels. Conversely, a higher proportion of non-Georgians are found in the private sector, possibly hinting at systemic barriers or preferential trends affecting public sector employment accessibility for this group.

The detailed statistical breakdown provides valuable insights into the labor market's structure, with urban residency and marital status also reflecting distinct patterns across ethnic groups. Such granularity in data analysis is pivotal for understanding the multifaceted nature of wage disparities and employment trends, offering a foundation for robust discussions on labor market inequalities and the development of targeted policy interventions to address these disparities.

This comprehensive exploration, encapsulated in Table 5 not only highlights the significant wage and educational disparities between ethnic groups in Georgia but also prompts a deeper investigation into the underlying causes and broader socio-economic implications of these differences, contributing to the ongoing academic discourse on labor market dynamics and inequality.

Table 6. Summary statistics with respect to age

	15-60 Aged	60+ Aged	Difference
wage	612.89	482.38	130.51*** (10.690) [0.000]
Age	39.98	66.70	-26.72*** (0.269)
Schooling (0-4 years)	0.14%	0.27%	-0.13% (0.001)
Schooling (9 years)	2.55%	1.74%	0.81%** (0.004)
Schooling (12 years)	27.56%	17.55%	10.01% ***(0.011)
Schooling (13-16 years)	34.83%	24.71%	10.12%*** (0.012)
Schooling (16+ years)	34.92%	55.74%	-20.82%*** (0.012)
Married	66.61%	65.14%	1.47% (0.012)
Urban	69.85%	70.59%	-0.74% (0.012)
Tbilisi	38.64%	35.03%	3.61% ***(0.012)
full time	96.61%	94.94%	1.67%*** (0.005)
Hours worked weekly	44.57	40.13	4.44*** (0.361)
Private sector	65.25%	44.51%	20.74%*** (0.012)
Observations	11 625	1 885	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: given are (weighted) average values of the variables

Old is defined as individuals aged 60 or more

years of education are approximated based on the level of education attained by a person

standard errors in parentheses; p-values from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 6 meticulously delineates the summary statistics segmented by age, offering a comparative analysis between two distinct age groups: individuals aged 15-60 and those aged 60 and above. This detailed statistical examination unravels notable disparities in wages, educational levels, marital status, urban residence, employment type, and sector between the two cohorts, providing a comprehensive perspective on age-related variations within the Georgian labor market.

The data reveals a significant wage gap, with the younger age group (15-60) earning an average wage of 612.89 compared to 482.38 for the older group (60+), highlighting the economic challenges faced by older individuals in the workforce. Educational attainment varies markedly between these groups, reflecting the generational shifts in educational access and preferences, with a notably higher percentage of the older cohort possessing advanced education levels.

Employment patterns also show significant differences, with older individuals working fewer hours and being more likely to be employed in the public sector, which may reflect broader trends in employment preferences and opportunities across different age groups. The analysis also touches upon the urban versus rural divide and full-time employment rates, further accentuating the diverse labor market experiences of these age groups.

Additionally, the methodological approach to data handling, particularly the transformation of net monthly earnings from intervals to a continuous form for analytical rigor, underscores the meticulous efforts to ensure the precision and reliability of the findings.

This in-depth exploration encapsulated in Table 6 not only elucidates the age-related dynamics within the labor market but also provides a solid foundation for discussions on policy-making and future research, aiming to address the disparities and challenges faced by different age cohorts in Georgia's evolving economic landscape.

6 Results

6.1 Gender

Upon implementing the Blinder-Oaxaca decomposition method, as delineated in the preceding section, the study elucidated significant findings with respect to gender-based wage differentials. The analysis, encapsulated in Table 6, meticulously details the results obtained from two distinct model specifications, shedding light on the nuanced facets contributing to wage disparities between males and females

Table 7. Results of decomposing wage with respect to gender

	SPECIFICATION 1		SPECIFICATION 2	
	EE	CRE	EE	CRE
GROSS GAP	0.328*** (0.011)	0.328*** (0.011)	0.328*** (0.011)	0.328*** (0.011)
EXPLAINED	-0.054*** (0.005)	-0.059*** (0.005)	0.117*** (0.021)	0.074*** (0.017)
UNEXPLAINED	0.382*** (0.010)	0.386*** (0.011)	0.210*** (0.022)	0.254*** (0.018)
CONTROL VARIABLES	Yes		Yes	
EXTENDED CONTROL VARIABLES	No		Yes	
OBSERVATIONS	13 510		13 510	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: natural logarithm of net earnings is the dependent variable across all specifications

Control variables contain personal characteristics: age, age squared, nationality, education dummies, dummy for married (defined as non-single, i.e., currently or was ever married), dummy for urban, dummy for Tbilisi.

Extended control variables contain job related characteristics: hours worked weekly, dummy for full time, dummy for employed in private as opposed to public sector, 21 dummies for industry and 10 dummies for occupation.

EE stands for enrichment experiment and CRE – civil rights experiment as defined above

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Standard errors in parentheses

As a result of the analysis approximately 27% gap was identified between net monthly earnings of males and females. To better understand this gap two model specifications were developed. First one tries to explain the gap solely by personal characteristics such as age, education, nationality, marital status, place of residence. Alternatively, the results were

estimated using experience (approximated as age-education-5) instead of age, but as the exercise did not yield significantly different results it is reported in the appendix. Looking at the results of first specification one interesting observation can be made. The decomposition shows that taking into account only personal characteristics women are predicted to have higher wages. However, the effect of some other factors omitted from this specification push female wages down and lead to the wage gap in favor of men. This result can be more easily grasped in the context of table 3 which clearly emphasized the fact that women are on average more educated. The finding is also consistent with the literature which states that by the early 1990s in many countries women were more educated than men and this difference remains largely true today. Furthermore, it is stated that as in the Soviet Union women's labor force participation was vital for the achievement of plan objectives female education was highly encouraged. Consequently, women in transition countries are almost as educated as women in high-income countries and significantly more educated than women in developing countries (Pignatti, 2016). So, a natural question arises - if women are on average more educated than men what could explain the wage gap, then? In order to answer this question model specification 2 including job specific variables such as weekly worked hours, dummy for full time job, dummy for private sector as well as industrial and occupational dummies (according to NACE Rev.2 and ISCO-88 classifications[2]) was developed. The new model reversed the narrative and now the explained part of the model predicts a higher explained wage for men. A few reasons could motivate this result. Firstly, as it was observed from table 3, women work significantly fewer hours weekly compared to men, leading to the prediction of lower earnings

[2] Statistical classification of economic activities in the European Community – NACE Rev.2(https://www.geostat.ge/media/20893/1-NACE_rev.2.pdf)
International Standard Classification of Occupations (https://www.geostat.ge/media/20452/01-Bureau-of-Statistics%2C-work-unit-of-the-Policy-Integration-Department.pdf)

This tendency can be explained by the persistence of social norms that trigger unequal distribution of household work between men and women. If this explanation holds true and household work is the main reason why women work less, then married women should be working less compared to single ones. Indeed, looking at the mean values and testing the significance of the observed difference, it is clear that married women work on average about 2 hours less weekly compared to single women and the difference is statistically significant.

Table 8. Mean weekly worked hours for married (defined as non-single) and single women

Single	**Married**	**Difference**
41.75	39.75	1.99*** (0.41) [0.000]

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: given are (weighted) average values

standard error in parentheses; p-value from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 8 intricately details the average weekly working hours, delineating a comparison between married (non-single) and single women, unveiling that married women are engaged in fewer weekly working hours than their single counterparts. This differential, significant at the 0.000 level, may reflect broader socio-economic and cultural influences that impact women's participation in the labor market, particularly when interwoven with marital and familial responsibilities.

Expanding the analysis, the examination delves into the realms of horizontal and vertical segregation within the labor market, as evidenced in the subsequent Tables 9 and 10. These tables provide a stark visualization of the gender distribution across various industries and occupations, underscoring a conspicuous gender divide. Predominantly, sectors and roles commanding higher remunerations are male-dominated, hinting at a structural skewness that potentially sidelines women into less lucrative segments of the labor market. Such patterns may be rooted in societal norms, individual preferences, or other obstructive barriers that

steer women towards lower-paying jobs, aligning with the insights provided by Altonji (1999).

A critical dimension to this discussion is the role of pregnancy and maternity on women's labor trajectories. Pregnancy necessitates a hiatus from the workforce for many women, potentially leading to prolonged career interruptions or a shift towards part-time employment, which may not offer equivalent salary or career progression opportunities. The post-maternity phase, characterized by augmented childcare responsibilities, might further limit women's full engagement in the labor market, resonating in the observed working hour disparities and contributing to the overarching wage gap (Budig & England, 2001).

Wage gap might be explained by horizontal and vertical segregation of women in lower paying part of the labor market. The reason behind this pattern can be either preferences, or social norms and other restrictive barriers “crowding” women to less paid jobs (Altonji, 1999). The tables below aim to lend support to this claim:

Table 9. Share of men and women and average monthly earnings across the different industries

INDUSTRY	SHARE OF MALES	SHARE OF FEMALES	DIFFERENCE	AVERAGE MONTHLY EARNINGS
AGRICULTURE	0.75	0.25	0.5	518 (16th)
MINING	0.94	0.06	0.88	885 (2nd)
MANUFACTURING	0.62	0.38	0.24	530 (14th)
ELECTRICITY, GAS, WATER SUPPLY	0.81	0.19	0.62	578 (12th)
CONSTRUCTION	0.93	0.07	0.86	813 (4th)
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.46	0.54	-0.08	502 (18th)
TRANSPORTATION AND STORAGE	0.84	0.16	0.68	762 (5th)
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	0.38	0.62	-0.24	489 (19th)
INFORMATION AND COMMUNICATION	0.58	0.42	0.16	762 (6th)
FINANCIAL AND INSURANCE ACTIVITIES	0.32	0.68	-0.36	704 (8th)
REAL ESTATE ACTIVITIES	0.48	0.52	0.04	547 (13th)
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	0.43	0.57	-0.14	673 (9th)
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	0.72	0.28	0.44	520 (15th)
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	0.66	0.34	0.32	835 (3rd)
EDUCATION	0.16	0.84	-0.68	448 (20th)
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	0.16	0.84	-0.68	511 (17th)
ARTS, ENTERTAINMENT AND RECREATION OTHER SERVICE ACTIVITIES	0.48 0.32	0.52 0.68	-0.04 -0.36	629 (10th) 590 (11th)
ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; UNDIFFERENTIATED GOODS- AND SERVICES-PRODUCING ACTIVITIES OF HOUSEHOLDS FOR OWN USE	0.01	0.99	-0.98	743 (7th)
ACTIVITIES OF EXTRATERRITORIAL ORGANIZATIONS AND BODIES	0.43	0.57	-0.14	1584 (1st)

Table 10. Share of men and women and average monthly earnings across the different occupations

OCCUPATION	SHARE OF MALES	SHARE OF FEMALES	DIFFERENCE	AVERAGE MONTHLY EARNINGS
1.LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	0.56	0.44	0.12	986 (1st)
2. PROFESSIONALS	0.27	0.73	-0.46	675 (3rd)
3. TECHNICIANS AND ASSOCIATE PROFESSIONALS	0.41	0.59	-0.18	550 (6th)
4. CLERKS	0.34	0.66	-0.32	539 (7th)
5. SERVICE WORKERS AND SHOP AND MARKET SALES WORKERS	0.42	0.58	-0.16	483 (8th)
6. SKILLED AGRICULTURAL AND FISHERY WORKERS	0.73	0.27	0.46	478 (9th)
7. CRAFT AND RELATED TRADES WORKERS	0.8	0.2	0.6	583 (5th)
8. PLANT AND MACHINE OPERATORS AND ASSEMBLERS	0.96	0.04	0.92	656 (4th)
9. ELEMENTARY OCCUPATIONS	0.53	0.47	0.06	407 (10th)
10. ARMED FORCES	1	0	1	928 (2nd)

Table 9 indicates that the top four of the five highest-paying industries—mining, public administration and defense, construction, transportation and storage—are predominantly male-dominated. Similarly, according to Table 9, four of the five highest-paying occupations—legislators, senior officials and managers, armed forces, professionals, plant and machine operators and assemblers, and craft and related trades workers—are also dominated by men. This suggests a potential pattern of industrial and occupational segregation disadvantaging women. In the context of transitional economies like Georgia, a plausible explanation for this trend, as proposed by Pignatti (2016), is the enduring influence of traditional gender roles coupled with the historical absence of part-time employment opportunities in socialist countries. Consequently, women tended to concentrate in semi-skilled occupations and sectors such as healthcare, education, and retail trades. However, even after adjusting for these visible differences, a significant portion of the wage gap remains unaccounted for, leaving room for explanations that may include theories of discrimination.

6.2 Ethnicity

Identical analysis conducted with respect to ethnicity yields the following results:

Table 10. Results of decomposing wage with respect to ethnicity

	SPECIFICATION 1		SPECIFICATION 2	
	EE	CRE	EE	CRE
GROSS GAP	0.164*** (0.022)	0.164*** (0.022)	0.164*** (0.022)	0.164*** (0.022)
EXPLAINED	0.060*** (0.012)	0.015(0.014)	0.108*** (0.014)	0.084*** (0.020)
UNEXPLAINED	0.104*** (0.022)	0.149*** (0.024)	0.056*** (0.020)	0.080*** (0.023)
CONTROL VARIABLES	Yes		Yes	
EXTENDED CONTROL VARIABLES	No		Yes	
OBSERVATIONS	13 510		13 510	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: natural logarithm of net earnings is the dependent variable across all specifications

Control variables contain personal characteristics: age, age squared, gender, education dummies, dummy for married (defined as non-single, i.e., currently or was ever married), dummy for urban, dummy for Tbilisi.

Extended control variables contain job related characteristics: hours worked weekly, dummy for full time, dummy for employed in private as opposed to public sector, 21 dummies for industry and 10 dummies for occupation.

EE stands for enrichment experiment and CRE – civil rights experiment as defined above

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Standard errors in parentheses

The examination of wage disparities concerning ethnicity unveils a nuanced landscape, as evidenced by the decomposition analysis delineated in Table 11. This rigorous quantitative exploration reveals a discernible gross wage gap between Georgian and non-Georgian labor market participants, signaling a differential of approximately 17%. Such a disparity, while relatively modest compared to gender-based wage gaps, nonetheless constitutes a statistically and economically significant divergence, meriting a thorough scholarly inquiry.

Delving into the specifics of the decomposition, Specification 1 elucidates that a substantial portion of the wage gap—37% under the Enrichment Experiment (EE) and 9% under the Civil Rights Experiment (CRE)—is attributable to personal characteristics, predominantly education and experience. This is underscored by the data presented in Table 3, which illustrates a higher propensity among Georgians to attain advanced educational credentials, suggesting that educational attainment is a pivotal factor influencing wage differentials.

Moreover, when transitioning to Specification 2, the analysis reveals a diminution in the unexplained component of the wage gap, thereby underscoring the role of job-related characteristics in shaping wage outcomes. Under this specification, a considerable fraction of the gap—66% under EE and 51% under CRE—is explicated, accentuating the importance of both personal and job-specific attributes in the wage determination process.

The findings from this decomposition analysis offer profound insights into the dynamics of wage disparities, suggesting that while a significant portion of the wage differential can be elucidated through observable characteristics, there remains an unexplained segment that could potentially hint at underlying discriminatory practices. However, it is also plausible to interpret this unexplained variance as a manifestation of 'pre-market' discrimination, where disparities in human capital acquisition, possibly stemming from educational inequities, propagate through to labor market outcomes.

This nuanced dissection of wage gaps with respect to ethnicity not only contributes to the existing corpus of labor economics literature but also provides a substantive basis for policy deliberation. By identifying the components of the wage gap that are amenable to policy interventions—such as enhancing educational access and quality—this analysis can inform

targeted strategies to ameliorate wage disparities and foster a more equitable labor market landscape in Georgia.

6.3 Age

Finally, identical analysis was conducted in terms of age:

Table 12. Results of decomposing wage with respect to age

	SPECIFICATION 1		SPECIFICATION 2	
	EE	CRE	EE	CRE
GROSS GAP	0.277*** (0.017)	0.277*** (0.017)	0.277*** (0.017)	0.277*** (0.017)
EXPLAINED	0.367*** (0.030)	0.545 (0.443)	0.313*** (0.028)	0.043 (0.388)
UNEXPLAINED	-0.090*** (0.033)	-0.268 (0.443)	-0.036 (0.030)	0.233 (0.388)
CONTROL VARIABLES	Yes		Yes	
EXTENDED CONTROL VARIABLES	No		Yes	
OBSERVATIONS	13 510		13 510	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: natural logarithm of net earnings is the dependent variable across all specifications

Control variables contain personal characteristics: age, age squared, nationality, gender, education dummies, dummy for married (defined as non-single, i.e., currently or was ever married), dummy for urban, dummy for Tbilisi.

Extended control variables contain job related characteristics: hours worked weekly, dummy for full time, dummy for employed in private as opposed to public sector, 21 dummies for industry and 10 dummies for occupation.

EE stands for enrichment experiment and CRE – civil rights experiment as defined above

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.
Standard errors in parentheses

The analytical journey into the age-related wage disparities unveils a complex tapestry of influences and outcomes, as epitomized in Table 12, which meticulously delineates the results of wage decomposition with respect to age. This table, underpinning our discourse, sheds light on the nuanced interplay between age and wage structures within the Georgian labor market.

The gross wage gap, as identified, manifests a significant divergence of 27.7% between the younger and older cohorts within the workforce, a finding that is consistent across both specified analytical frameworks—EE (Enrichment Experiment) and CRE (Civil Rights Experiment). This divergence not only highlights the raw monetary discrepancies but also sets the stage for a deeper examination of the underlying factors.

A particularly intriguing aspect of this analysis is the explained component of the wage gap, which, in the first specification, astonishingly surpasses the gross gap itself under the EE paradigm, suggesting an overcompensation of factors contributing to wage differences. This anomaly invites a reflective consideration of the variables at play, underscoring the need for a meticulous evaluation of the age-related attributes influencing wage structures.

Conversely, the unexplained portion, particularly in the second specification, portrays a reduction in wage disparities not accounted for by observable characteristics. This reduction, especially under the CRE framework, could be indicative of an age-related bias, subtly woven into the fabric of wage determination processes, thus warranting a critical examination of potential ageist undercurrents within the labor market.

Furthermore, the narrative that older workers are potentially overcompensated relative to their productivity—a hypothesis supported by existing literature (e.g., Skirbekk, 2003)—adds a layer of complexity to our understanding. This phenomenon, suggesting a potential inefficiency in wage allocation, may have profound implications for labor market dynamics, particularly in the context of an aging population, as observed in Georgia (JAM News, 2020).

This exploration, while grounded in rigorous empirical analysis, also acknowledges the limitations inherent in the data and the chosen methodology. The potential exclusion of pivotal productivity-related characteristics due to data constraints beckons a cautious interpretation of the results and underscores the imperative for continued research, enriched with more granular data, to unravel the intricate tapestry of age-related wage disparities.

In summary, this detailed investigation into age-related wage decomposition not only enriches our understanding of the wage dynamics within the Georgian labor market but also prompts a broader discourse on the interplay between age, productivity, and remuneration, with significant implications for policy formulation and future academic inquiry

7 Discussion of Results

The findings from this study reveal persistent wage disparities across gender, ethnicity, and age in the Georgian labor market, aligning with and sometimes contrasting the broader literature. For example, the gender wage gap identified echoes global trends where women, despite higher educational achievements, earn less than men, reflecting findings from Altonji (1999) and Hori (2009). This study adds to this discourse by highlighting the nuanced interplay of occupational segregation, working hours, and societal norms in shaping these disparities within Georgia's unique socio-economic context.

Similarly, the ethnic wage disparities, with Georgians earning more on average than non-Georgians, resonate with Asali et al. (2018)'s insights on the role of educational access and labor market discrimination. This study's deep dive into these dynamics within Georgia provides empirical substantiation to these broader themes, emphasizing the need for targeted educational and labor market policies.

The age-related wage analysis unveils a preference for older workers that contradicts common perceptions of productivity-related wage determination, aligning with Skirbekk (2003)'s exploration of age discrimination but adding a unique Georgian perspective to the global narrative.

These wage disparities have significant socio-economic implications, affecting individuals' economic stability, career trajectories, and overall quality of life. Gender wage gaps, for instance, perpetuate economic inequalities and may discourage women from participating fully in the labor market or pursuing higher education, impacting the country's economic growth and development.

Ethnic wage disparities highlight systemic issues within the educational and employment sectors, suggesting potential barriers to entry or advancement for non-Georgians that could lead to social stratification and hinder social cohesion.

Age-related disparities raise concerns about the efficient allocation of labor and potential biases in the valuation of experience versus youth, which could influence the demographic composition of the workforce and affect productivity.

The study's findings underscore the need for comprehensive policies aimed at addressing these disparities. Gender wage gaps could be mitigated through policies supporting work-life balance, such as childcare support, and initiatives to challenge occupational segregation. For ethnic disparities, enhancing access to quality education and implementing anti-discrimination measures in hiring and promotion practices are critical.

Addressing age-related disparities requires a nuanced approach that values both experience and the innovation younger workers bring, possibly through lifelong learning initiatives and age-neutral hiring practices.

This detailed analysis, rooted in robust empirical evidence, offers a nuanced understanding of wage disparities in the Georgian labor market, providing a foundation for informed policy-making. By addressing these disparities, Georgia can make strides toward a more equitable, inclusive, and prosperous society.

8 Future Directions in Combating Labor Market Discrimination in Georgia

As Georgia advances in addressing labor market discrimination, a multifaceted approach tailored to its unique socio-economic landscape is essential. Here are refined strategies and innovative policy interventions that can be explored:

Strengthening Enforcement: To enhance the efficacy of regulatory bodies, Georgia must invest in specialized training programs that equip enforcement personnel with the necessary skills to identify and tackle discrimination. Adequate funding should be allocated to ensure these agencies have the resources to conduct thorough investigations and enforce compliance. Establishing a transparent reporting system and public accountability mechanisms can also enhance the visibility and effectiveness of enforcement efforts.

Promoting Diversity and Inclusion: Employers should be encouraged to adopt diversity and inclusion practices through a combination of incentives, such as tax benefits or public recognition awards. Workshops and resources should be provided to help businesses implement these practices effectively, ensuring they move beyond tokenism to genuine inclusivity. Success stories and best practices within the Georgian context should be highlighted and shared to inspire and guide other organizations.

Education and Sensitization: Develop comprehensive campaigns that target both the workforce and employers, using a mix of media platforms to maximize outreach. These campaigns should focus on dismantling stereotypes, showcasing the value of diversity, and promoting respect and fair treatment in the workplace. Collaborating with local influencers, community leaders, and organizations can enhance the campaign's reach and impact.

Data-driven Policies: Strengthen data collection mechanisms to capture detailed, disaggregated data on employment trends, wage disparities, and incidents of discrimination. This data should inform the development of targeted interventions and enable continuous monitoring and evaluation of policy effectiveness. Engaging

with academic institutions and think tanks can enhance the analysis and utilization of this data.

Stakeholder Engagement: Establish a collaborative framework that includes civil society, business leaders, marginalized groups, and policymakers. Regular forums, consultations, and partnerships can facilitate dialogue, idea exchange, and joint initiatives. This inclusive approach ensures that policies are grounded in the experiences and needs of those most affected by labor market discrimination.

Innovative Policy Interventions: Look globally for inspiration, adapting successful interventions from other contexts to Georgia's specific needs. For instance, consider the feasibility of implementing equal pay certifications similar to those in Iceland, customized to Georgian businesses' scale and context.

Success Metrics: Define clear, measurable indicators of progress, such as reductions in wage disparities, increased diversity in leadership positions, and improved workplace satisfaction ratings among marginalized groups. Regularly publishing progress reports can maintain momentum and accountability.

Through the implementation of these tailored and situation-specific tactics, Georgia can make substantial progress in establishing a fairer labor market, nurturing an environment of inclusiveness and equity that positively impacts all segments of the population. This proactive strategy not only tackles existing inequalities but also establishes the groundwork for long-term economic and social progress.

9 Conclusion

This study has meticulously unraveled the multifaceted nature of wage disparities across gender, ethnicity, and age within the Georgian labor market, revealing significant raw wage gaps in all three equality areas. The nuances of these gaps vary, reflecting the complex interplay of socio-economic factors, cultural norms, and institutional practices that shape the labor market landscape in Georgia.

9.1 Gender Pay Gap

The analysis unveiled that the gender pay gap is influenced by working hours and industrial/occupational segregation. This insight aligns with broader global trends, where societal expectations and structural barriers often dictate women's participation in the workforce. The disproportionate household burden on women emerges as a significant hindrance, underscoring the need for policy interventions that facilitate a more balanced division of domestic responsibilities. High-quality daycare centers are a pivotal recommendation, aiming to alleviate the childcare responsibilities that disproportionately fall on women, thereby enabling them to increase their working hours and participate more fully in the labor market.

Further, addressing occupational and industrial segregation requires a nuanced approach. The implementation of comparable worth legislation, which advocates for equitable pay for jobs of comparable skill levels, could be a transformative step toward rectifying the undervaluation of women-dominated professions. Such legislation would not only promote fairness but also challenge the entrenched gender stereotypes that influence occupational choices and wage determinations.

9.2 Ethnicity-Based Wage Disparities

The ethnicity-related wage gap, largely explained by controlled variables, highlights educational attainment as a critical determinant. This finding points to systemic educational disparities as a root cause, necessitating targeted policy interventions to enhance educational access and quality for ethnic minorities. Efforts to bridge this gap must transcend mere accessibility, encompassing language support, culturally inclusive curricula, and community engagement initiatives, ensuring that education serves as a true equalizer in the labor market.

9.3 Age-Related Wage Differences

The age-related wage gap analysis offers intriguing insights, with control variables predicting a higher wage than observed, possibly indicating favoritism towards older employees or missing variables in the model. This suggests a potential misalignment between wage structures and market dynamics, warranting further investigation. Enhancing data collection and research methodologies could provide a clearer understanding of these dynamics, supporting the development of age-inclusive policies that ensure fairness and combat ageism in the workplace.

9.4 Limitations and Further Research

While this study provides critical insights, it acknowledges the limitations posed by data availability. The potential omission of key variables underscores the need for comprehensive data collection efforts to enrich future research. Such endeavors should aim to capture a broader array of factors influencing wage disparities, including socio-cultural influences, labor market policies, and global economic trends.

9.5 Moving Forward

In summary, this research not only highlights the enduring wage disparities within Georgia's labor market but also prompts a proactive response from policymakers, stakeholders, and researchers alike. Through embracing a comprehensive and well-informed approach to policymaking, underpinned by reliable data and inclusive discourse, Georgia can lead the charge towards a fairer and more equitable labor market, serving as a model for others striving to address systemic wage gaps.

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11 Appendix

Table 1: Gender Wage Gap in Georgia (2003-2022)

YEAR	MALE WAGE IN GEL	FEMALE WAGE IN GEL	WAGE DIFFRENCES	WAGE DIFFRENCES IN %
2003	163	85.7	77.3	47.42%
2004	200.8	108.3	92.5	46.07%
2005	267.9	131.1	136.8	51.06%
2006	362	177.6	184.4	50.94%
2007	475.6	240.2	235.4	49.50%
2008	678.4	367.7	310.7	45.80%
2009	690.8	398.3	292.5	42.34%
2010	742.8	426.6	316.2	42.57%
2011	771.1	460.2	310.9	40.32%
2012	859.6	517.9	341.7	39.75%
2013	920.3	585	335.3	**36.43%**
2014	980	617.9	362.1	**36.95%**
2015	1074.3	692.5	381.8	**35.54%**
2016	1116.6	731.2	385.4	**34.52%**
2017	1197.4	770.2	427.2	**35.68%**
2018	1280.7	822.6	458.1	**35.77%**
2019	1361.8	869.1	492.7	**36.18%**
2020	1407.7	952.2	455.5	*32.36%*
2021	1537.9	1055.5	482.4	*31.37%*
2022	1673.8	1161.2	512.6	*30.62%*

Source: Author's computation based on data from the National Statistics Office of Georgia, (2003-2022).

Table 2. Proportion of employed individuals in groups

Gender		**Ethnicity**		**Age**	
Men	*Women*	*Georgian*	*Non-Georgian*	*15-60*	*60+*
44.93%	34.01%	40.35%	24.80%	45.82%	18.94%

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019

Notes: Self-employed people are excluded.

Table 3. Summary statistics with respect to gender

	MEN	**WOMEN**	**DIFFERENCE**
WAGE	692.38	507.44	184.94*** (7.2032) [0.000]
AGE	44.62	42.48	2.14*** (0.24)
SCHOOLING (0-4 YEARS)	0.20%	0.13%	0.07% (0.0007)
SCHOOLING (9 YEARS)	3.16%	1.80%	1.36% ***(0.0026)
SCHOOLING (12 YEARS)	34.63%	18.58%	16.05%*** (0.0074)
SCHOOLING (13-16 YEARS)	31.99%	34.77%	-2.78% ***(0.0081) [0.001]
SCHOOLING (16+ YEARS)	30.02%	44.72%	-14.70%*** (0.0083)
MARRIED	72.09%	61.28%	10.81% ***(0.0081)
URBAN	67.07%	72.56%	-5.49%*** (0.0079)
TBILISI	29.03%	32.19%	-3.44%*** (0.0084)
FULL TIME	97.72%	95.19%	2.53%*** (0.0032)
HOURS WORKED WEEKLY	48.16	40.18	7.98*** (0.2394)
PRIVATE SECTOR	67.58%	57.79%	-9.80%*** (0.0083)
OBSERVATIONS	6 485	7 025	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019

Notes: given are (weighted) average values of the variables

years of education are approximated based on the level of education attained by a person

standard errors in parentheses; p-values from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 4: Description of the Schooling

SCHOOLING (0-4 YEARS)	ISCED 1	Primary education (basic education typically starting at age 6 or 7, covering primary grades)
SCHOOLING (9 YEARS)	ISCED 2	Lower secondary education (builds upon primary education, typically completed by age 15 or 16)
SCHOOLING (12 YEARS)	ISCED 3	Upper secondary education (preparatory education for higher education or workforce, completed by age 18)
SCHOOLING (13-16 YEARS)	ISCED 4, ISCED 5, ISCED 6	Post-secondary and tertiary education including bachelor's
SCHOOLING (16+ YEARS)	ISCED 7	Tertiary education (includes, master's, doctoral, or equivalent levels of education)

Source: European Commission. International Standard Classification of Education (ISCED). Eurostat. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=International_Standard_Classification_of_Education_(ISCED)#Background

Table 5. Summary statistics with respect to ethnicity

	GEORGIAN	NON-GEORGIAN	DIFFERENCE
WAGE	601.99	496.74	105.25*** (14.92) [0.000]
AGE	43.60	43.77	-0.17 (0.4923)
SCHOOLING (0-4 YEARS)	0.05%	1.71%	-1.66%*** (0.0014)
SCHOOLING (9 YEARS)	2.08%	7.64%	-5.56% ***(0.0054)
SCHOOLING (12 YEARS)	25.03%	42.98%	-17.95%*** (0.0153)
SCHOOLING (13-16 YEARS)	34.11%	23.98%	10.13%*** (0.0165)
SCHOOLING (16+ YEARS)	38.72%	23.69%	15.03%*** (0.0169)
MARRIED	66.60%	63.67%	2.93%* (0.0165)
URBAN	70.46%	62.64%	7.82%*** (0.0160)
TBILISI	38.20%	37.47%	0.73% (0.0170)
FULL TIME	96.33%	97.15%	0.82% (0.0065)
HOURS WORKED WEEKLY	43.94	44.30	-0.36 (0.5049)
PRIVATE SECTOR	62.04%	68.08%	-6.04%*** (0.0169)
OBSERVATIONS	12 676	834	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: given are (weighted) average values of the variables

years of education are approximated based on the level of education attained by a person

standard errors in parentheses; p-values from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 6. Summary statistics with respect to age

	15-60 Aged	60+ Aged	Difference
wage	612.89	482.38	130.51*** (10.690) [0.000]
Age	39.98	66.70	-26.72*** (0.269)
Schooling (0-4 years)	0.14%	0.27%	-0.13% (0.001)
Schooling (9 years)	2.55%	1.74%	0.81%** (0.004)
Schooling (12 years)	27.56%	17.55%	10.01% ***(0.011)
Schooling (13-16 years)	34.83%	24.71%	10.12%*** (0.012)
Schooling (16+ years)	34.92%	55.74%	-20.82%*** (0.012)
Married	66.61%	65.14%	1.47% (0.012)
Urban	69.85%	70.59%	-0.74% (0.012)
Tbilisi	38.64%	35.03%	3.61% ***(0.012)
full time	96.61%	94.94%	1.67%*** (0.005)
Hours worked weekly	44.57	40.13	4.44*** (0.361)
Private sector	65.25%	44.51%	20.74%*** (0.012)
Observations	11 625	1 885	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: given are (weighted) average values of the variables

Old is defined as individuals aged 60 or more

years of education are approximated based on the level of education attained by a person

standard errors in parentheses; p-values from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 7. Results of decomposing wage with respect to gender

	SPECIFICATION 1		SPECIFICATION 2	
	EE	CRE	EE	CRE
GROSS GAP	0.328*** (0.011)	0.328*** (0.011)	0.328*** (0.011)	0.328*** (0.011)
EXPLAINED	-0.054*** (0.005)	-0.059*** (0.005)	0.117*** (0.021)	0.074*** (0.017)
UNEXPLAINED	0.382*** (0.010)	0.386*** (0.011)	0.210*** (0.022)	0.254*** (0.018)
CONTROL VARIABLES	Yes		Yes	
EXTENDED CONTROL VARIABLES	No		Yes	
OBSERVATIONS	13 510		13 510	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: natural logarithm of net earnings is the dependent variable across all specifications

Control variables contain personal characteristics: age, age squared, nationality, education dummies, dummy for married (defined as non-single, i.e., currently or was ever married), dummy for urban, dummy for Tbilisi.

Extended control variables contain job related characteristics: hours worked weekly, dummy for full time, dummy for employed in private as opposed to public sector, 21 dummies for industry and 10 dummies for occupation.

EE stands for enrichment experiment and CRE – civil rights experiment as defined above

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Standard errors in parentheses

Table 8. Mean weekly worked hours for married (defined as non-single) and single women

Single	Married	Difference
41.75	39.75	1.99*** (0.41) [0.000]

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: given are (weighted) average values

standard error in parentheses; p-value from t-test in square brackets

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Table 9. Share of men and women and average monthly earnings across the different industries

INDUSTRY	SHARE OF MALES	SHARE OF FEMALES	DIFFERENCE	AVERAGE MONTHLY EARNINGS
AGRICULTURE	0.75	0.25	0.5	518 (16th)
MINING	0.94	0.06	0.88	885 (2nd)
MANUFACTURING	0.62	0.38	0.24	530 (14th)
ELECTRICITY, GAS, WATER SUPPLY	0.81	0.19	0.62	578 (12th)
CONSTRUCTION	0.93	0.07	0.86	813 (4th)
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.46	0.54	-0.08	502 (18th)
TRANSPORTATION AND STORAGE	0.84	0.16	0.68	762 (5th)
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	0.38	0.62	-0.24	489 (19th)
INFORMATION AND COMMUNICATION	0.58	0.42	0.16	762 (6th)
FINANCIAL AND INSURANCE ACTIVITIES	0.32	0.68	-0.36	704 (8th)
REAL ESTATE ACTIVITIES	0.48	0.52	0.04	547 (13th)
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	0.43	0.57	-0.14	673 (9th)
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	0.72	0.28	0.44	520 (15th)
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	0.66	0.34	0.32	835 (3rd)
EDUCATION	0.16	0.84	-0.68	448 (20th)
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	0.16	0.84	-0.68	511 (17th)
ARTS, ENTERTAINMENT AND RECREATION OTHER SERVICE ACTIVITIES	0.48 0.32	0.52 0.68	-0.04 -0.36	629 (10th) 590 (11th)
ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; UNDIFFERENTIATED GOODS- AND SERVICES-PRODUCING ACTIVITIES OF HOUSEHOLDS FOR OWN USE	0.01	0.99	-0.98	743 (7th)
ACTIVITIES OF EXTRATERRITORIAL ORGANIZATIONS AND BODIES	0.43	0.57	-0.14	1584 (1st)

Table 10. Share of men and women and average monthly earnings across the different occupations

OCCUPATION	SHARE OF MALES	SHARE OF FEMALES	DIFFERENCE	AVERAGE MONTHLY EARNINGS
1.LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	0.56	0.44	0.12	986 (1st)
2. PROFESSIONALS	0.27	0.73	-0.46	675 (3rd)
3. TECHNICIANS AND ASSOCIATE PROFESSIONALS	0.41	0.59	-0.18	550 (6th)
4. CLERKS	0.34	0.66	-0.32	539 (7th)
5. SERVICE WORKERS AND SHOP AND MARKET SALES WORKERS	0.42	0.58	-0.16	483 (8th)
6. SKILLED AGRICULTURAL AND FISHERY WORKERS	0.73	0.27	0.46	478 (9th)
7. CRAFT AND RELATED TRADES WORKERS	0.8	0.2	0.6	583 (5th)
8. PLANT AND MACHINE OPERATORS AND ASSEMBLERS	0.96	0.04	0.92	656 (4th)
9. ELEMENTARY OCCUPATIONS	0.53	0.47	0.06	407 (10th)
10. ARMED FORCES	1	0	1	928 (2nd)

Table 11. Results of decomposing wage with respect to ethnicity

	SPECIFICATION 1		SPECIFICATION 2	
	EE	CRE	EE	CRE
GROSS GAP	0.164*** (0.022)	0.164*** (0.022)	0.164*** (0.022)	0.164*** (0.022)
EXPLAINED	0.060*** (0.012)	0.015(0.014)	0.108*** (0.014)	0.084*** (0.020)
UNEXPLAINED	0.104*** (0.022)	0.149*** (0.024)	0.056*** (0.020)	0.080*** (0.023)
CONTROL VARIABLES	Yes		Yes	
EXTENDED CONTROL VARIABLES	No		Yes	
OBSERVATIONS	13 510		13 510	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: natural logarithm of net earnings is the dependent variable across all specifications

Control variables contain personal characteristics: age, age squared, gender, education dummies, dummy for married (defined as non-single, i.e., currently or was ever married), dummy for urban, dummy for Tbilisi.

Extended control variables contain job related characteristics: hours worked weekly, dummy for full time, dummy for employed in private as opposed to public sector, 21 dummies for industry and 10 dummies for occupation.

EE stands for enrichment experiment and CRE – civil rights experiment as defined above

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

Standard errors in parentheses

Table 12. Results of decomposing wage with respect to age

	SPECIFICATION 1		SPECIFICATION 2	
	EE	CRE	EE	CRE
GROSS GAP	0.277*** (0.017)	0.277*** (0.017)	0.277*** (0.017)	0.277*** (0.017)
EXPLAINED	0.367*** (0.030)	0.545 (0.443)	0.313*** (0.028)	0.043 (0.388)
UNEXPLAINED	-0.090*** (0.033)	-0.268 (0.443)	-0.036 (0.030)	0.233 (0.388)
CONTROL VARIABLES	Yes		Yes	
EXTENDED CONTROL VARIABLES	No		Yes	
OBSERVATIONS	13 510		13 510	

Source: Author's computation based on data from the National Statistics Office of Georgia, Labor Force Surveys 2019.

Notes: natural logarithm of net earnings is the dependent variable across all specifications

Control variables contain personal characteristics: age, age squared, nationality, gender, education dummies, dummy for married (defined as non-single, i.e., currently or was ever married), dummy for urban, dummy for Tbilisi.

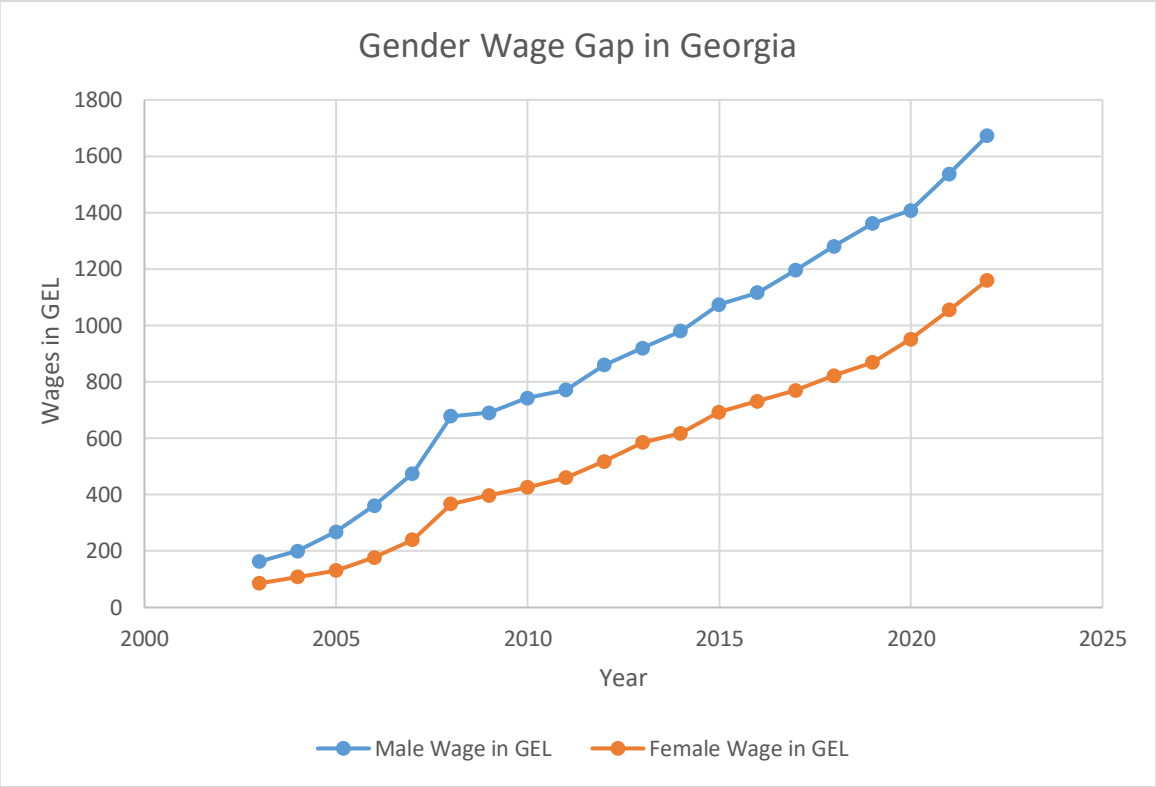
Extended control variables contain job related characteristics: hours worked weekly, dummy for full time, dummy for employed in private as opposed to public sector, 21 dummies for industry and 10 dummies for occupation.

EE stands for enrichment experiment and CRE – civil rights experiment as defined above

*Significant at 10% level; **Significant at 5% level; ***Significant at 1% level.

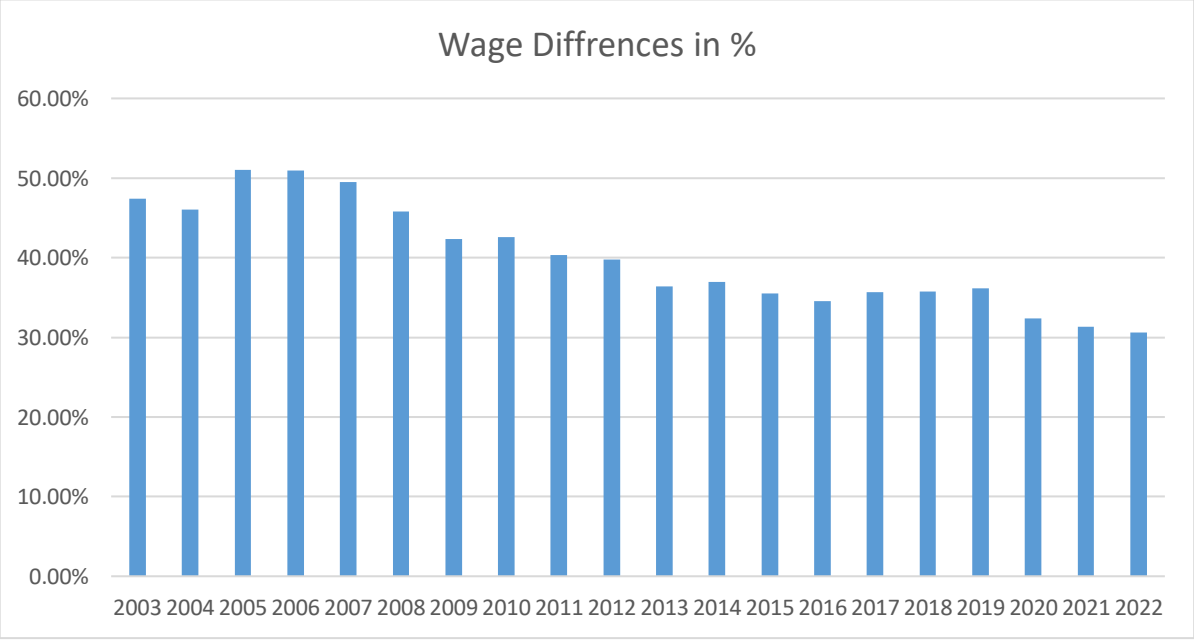
Standard errors in parentheses

Figure 1: Gender Wage Gap in Georgia (2003-2022)



Source: Author's computation based on data from the National Statistics Office of Georgia, (2003-2022)

Figure 2: Gender Wage differences in %, in Georgia (2003-2022)



Source: Author's computation based on data from the National Statistics Office of Georgia, (2003-2022)