

ACADEMIC PAPER

ASSESSMENT OF THE MODELS FOR THE IMPLEMENTATION OF THE EQUAL PAY REVIEW AND REPORTING (EPRR) METHODOLOGY IN GEORGIA

GENDER IMPACT ASSESSMENT



SEPTEMBER 2021
UN WOMEN

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ACRONYMS AND ABBREVIATIONS

DER	Diagnosis for Equal Remuneration
EPRR	Equal Pay Review and Reporting
EU	European Union
GEL	Georgian lari
Geostat	National Statistics Office of Georgia
GIA	Gender Impact Assessment
ILO	International Labour Organization
ISSET-PI	International School of Economics at Tbilisi State University – Policy Institute
SARAS	Service for Accounting, Reporting and Auditing Supervision
SDG	Sustainable Development Goal
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
WGEA	Workplace Gender Equality Agency

EXECUTIVE SUMMARY

The Gender Impact Assessment (GIA) of the Models for the Implementation of the Equal Pay Review and Reporting (EPRR) Methodology in Georgia was conducted by the ISET Policy Institute (ISET-PI) as part of its collaboration with UN Women within the scope of the project “Regulatory Impact Assessment and Gender Impact Assessment for Women’s Economic Empowerment in Georgia”. This study tested the feasibility, practicality and utilization of a tailor-made EPRR tool, specifically designed with Georgia’s economic, political and policy context in mind. It applied the GIA methodology to the assessment process of the EPRR tool as a way to further contribute to evidence-based policymaking and to strengthening gender equality.

The study had multiple objectives, as it addressed complex issues and different phases of the equal pay review process. In particular, it:

- Explored alternative equal pay review processes in other countries and their suitability to the Georgian context
- Explored alternative tools that could be used in the equal pay review process
- Identified the most suitable tool, given the Georgian context, and adjusted it to the Georgian labour market
- Tested the selected tool with real companies of different sizes to understand different impacts of the selected tool, as well as what was the companies’ attitude towards this tool
- Used the information collected during the testing stage to inform policymakers as they look for an optimal way to introduce the equal pay review process in Georgia
- Showcased the possible contribution of the GIA methodology to the policy design and evaluation process in national institutions

After reviewing several possible tools for an EPRR system, the team, in coordination with government representatives and the UN Women Country Office in Georgia, decided that the best option in

the Georgian case was to adapt the Diagnosis for Equal Remuneration (DER) tool of UN Women, incorporating variables from the Swiss tool (Logib) and modifying some variables to reflect better the Georgian context. A **Microsoft Excel file** and a **detailed manual on the EPRR tool** were prepared. After having tested the modified EPRR tool with two Georgian companies (a small company and a large company) and finding it effective and simple to use, we believe that **the modified tool presented in this GIA is a valid tool that could become the basis for the implementation of an EPRR system in Georgia.**

The tool is simple to understand and to fill in, and the results generated are easy to interpret. The tool allows one to check for equal pay for equal work at a basic level, given a minimum number of required variables, but can also allow for a more detailed analysis if more variables are reported.

During the GIA process, two development scenarios were analysed and compared to the status quo.

Option 1: Highest Cost

- Small enterprises are exempted from collecting and sharing data.
- Companies are instructed about how to proceed via an educational video.
- The data produced by companies are checked (and additional information is required) only in the event of an inspection.
- **Companies are requested to fill in all of the variables in the instrument.**

Option 2: Lowest Cost

- Small enterprises are exempted from collecting and sharing data.
- Companies are instructed about how to proceed via an educational video.
- The data produced by companies are checked (and additional information is required) only in the event of an inspection.
- **Companies are requested to fill in only the necessary variables in the instrument.**

The study shows that the tool is **useful for obtaining a comprehensive view of equal pay for equal work for medium and large-sized companies** (with more than 50 employees). For small companies (with 50 or fewer employees), because of the small number of individuals in each job, its usefulness is quite limited. In addition, the overall cost of extending the requirement to fill in the instrument to small companies is substantial. This is due to two factors: (1) the cost of reporting for a small company is not substantially smaller than for medium and large ones; and (2) the number of small companies in Georgia is almost 50 times larger than the number of medium and large companies combined. According to our preliminary estimates, even by adopting the least costly option (with a reduced number of variables), the additional cost of extending the data-collection requirement to small companies would be GEL 3,167,399.10 (yearly). The cost for medium and large companies would be, instead, GEL 227,667.90 per year in the least expensive case and GEL 274,328.70 per year in the most expensive case.

In consideration of the limited usefulness of the tool for the analysis of small companies, and of the large number of small companies – leading to a substantial total compliance cost for this group of companies – **the GIA team recommends introducing the instrument only for companies with more than 50 employees**, as such companies will have many individuals who fall in the same group and the analysis will be more informative. This solution, as mentioned above, would be in line with international best practices, as most countries exempt companies with 50 or fewer employees from this type of reporting requirement.

As far as the amount of information requested from companies is concerned, we highlight the presence of a clear trade-off between the informativeness of the exercise and the burden on companies. **The burden of data collection is clearly felt by companies, even though financially it does not appear to be extremely high.** Most companies contacted refused to engage in the exercise, even those explicitly committed to ensuring gender equality in the workplace. This does not bode well for the successful

implementation of a non-mandatory EPRR system, and it is consistent with what has been observed internationally (with most companies not engaging in the exercise when it is not mandatory). Even the companies that agreed to fill in the tool minimized the time spent on it, for example, aggregating additional and variable salaries. While this does not limit the exercise, it is indicative of companies' preferences. Moreover, the large company agreed just to report data for one month rather than for 12 months. On a positive note, providing all of the variables utilized by the tool (including those not strictly necessary) seems to be completely feasible.

Companies are particularly reluctant to reveal the salary data of the entire company, particularly data for the highest positions in the organizational structure. Reluctance to reveal salary data was one of the recurrent reasons mentioned by companies refusing to engage in the exercise.

Two of the few key variables, "Managerial Responsibility" and "Skill Level Required", can be easily manipulated by companies – especially if they have access to the entire tool – to adjust the results so that the instrument demonstrates that there is no unequal pay for equal work. We noticed this while testing the instrument and analysing the data provided by the companies.

The expected incremental costs to the Labour Inspectorate associated with the introduction of the EPRR system do not appear excessively high. The estimated cost is GEL 5,230.20 per year.

To facilitate the implementation of the reform and the use of the tool by companies, **we recommend investing in communication and awareness-raising.** A way to do that might be utilizing the existing communication channels of the Labour Inspectorate and/or of the Public Defender's Office to advertise and explain the changes, as well as provide relevant information and support to both employees and employers. To magnify the impact of the initiatives, it might be possible to develop an entirely new platform, perhaps with the support of international donors.

Concerning the **mandatory or non-mandatory nature of the EPRR tool, our recommendation depends on the goal of the reform.** If the goal is to provide a tool to the agency enforcing the equal pay for equal work principle, and facilitate appeals from workers, then filling in the tool should be made mandatory. On the other hand, if the goal of the reform is to support companies in their efforts to eliminate unequal pay for equal work, the non-mandatory form might be preferable.

In case a mandatory approach is chosen, and the tool output is going to constitute the basis for the enforcement of the equal pay for equal work principle, we suggest providing companies just with the first part of the model, for them to input the necessary

data but not be able to assess independently the existence of pay gaps at the job level.

If the chosen approach is, instead, to use the tool to help willing companies identify and correct (on a voluntary basis) the existing pay gaps, we recommend sharing the entire tool with the companies.

If the system is set to allow the enforcing agency to use the collected data to identify and prosecute violations of the equal pay for equal work principle, **it is crucial that the current gaps in the associated legislation are closed so that the enforcing agency is capable of both sanctioning the failure to provide the required data and prosecuting violations of the equal pay for equal work principle.**

INTRODUCTION

1.1 Background information

The right to equal pay for the same work between female and male workers is one of the founding principles of the European Union articulated in the 1957 Treaty of Rome. A 2006 Directive (Directive 2006/54/EC¹) on the equal treatment of women and men in matters of employment and occupation already requires employers to ensure equal pay for equal work or work of equal value between women and men. This directive was complemented in 2014 by a Commission Recommendation on strengthening the principle of equal pay between men and women through transparency.² This recommendation aimed to promote the principle of, and fundamental right to, equal pay in the EU by allowing easier access to justice for victims of gender-based pay discrimination and the better enforcement of the principle of equal pay, including by promoting pay transparency measures (European Commission, 2020a).

In September 2020, the Parliament of Georgia adopted an extensive package of changes to the Labour Code of Georgia. According to one of the main amendments to the Labour Code, employers now are obliged to ensure equal remuneration for female and male employees conducting equal work. Article 4 (“Prohibition of labour discrimination”) states that **“employers shall ensure equal remuneration of female and male employees for equal work performed”**. The Labour Code identifies unequal pay as one of the forms of discrimination. According to Article 5 (“Scope of the prohibition of discrimination”), “discrimination in labour relations and pre-contractual relations (including when publishing a vacancy and at a selection stage), and in employment and occupation, shall be prohibited. The prohibition of discrimination shall apply, inter alia, to labour conditions, remuneration conditions and

conditions for the termination of labour relations”. With the recent amendments to the Labour Code, Georgia made a further step towards gender equality and stated again the importance of the equal pay principle for the country, a priority that had already been acknowledged through the adherence to several international and national frameworks (a detailed description is provided in section 1.2).

Recognizing the **right to equal pay for equal work in the legislation is necessary and essential, but not sufficient**, for the full implementation and enforcement of the equal pay principle. The recent experience of the European Union shows that, regardless of the establishment of the legislative basis for equal pay as a fundamental right, the implementation and enforcement of this principle remains a big challenge (European Commission, 2020b), and this is partially reflected in the persistence and magnitude of the gender pay gap³ in the European Union (European Commission, 2020a). This European Union experience shows that other pillars must be in place, together with the recognition of the right to equal pay, in legislation for the successful implementation and enforcement of the equal pay for equal work principle. These additional pillars are as follows:

- Ensuring access to effective remedies for victims of pay discrimination
- Ensuring and guaranteeing pay transparency and enabling pay comparisons
- Maintaining effective equality bodies and relevant institutions to ensure equal pay in practice (European Commission, 2021)

The **Equal Pay Review and Reporting (EPRR)** tool constitutes the basis for the **equal pay review** – a process that “looks at pay arrangements within

1 *Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation.* Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32006L0054>.

2 *European Commission Recommendation of 7 March 2014 on strengthening the principle of equal pay be-*

tween men and women through transparency. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014H0124>.

3 The gender pay gap is the difference between average gross hourly earnings of male and female paid employees, expressed as a percentage of the former. Source: Eurostat. The gender pay gap in EU28 amounted to 15.7 per cent in 2018 (European Commission, 2020a).

an organisation to find, and address, gender discrimination. It involves comparing the pay of groups of workers who are doing equal work in the organisation and then investigating any gaps by gender. It does not address the other causes of the pay gap such as occupational segregation, although these may be highlighted by the pay review” (Ritchie, 2010). An equal pay review involves comparing the pay of women and men doing equal work, investigating the causes of any gender pay gaps and closing the gaps that “cannot be satisfactorily explained on grounds other than sex” (Equality Commission for Northern Ireland, n.d.). Thus, on the one hand, an effective EPRR tool can contribute to ensuring and guaranteeing pay transparency and enabling pay comparison. On the other hand, it can serve as a protective mechanism against pay discrimination, as it may facilitate the work of equality (and enforcement) bodies, thereby supporting the strengthening of the third pillar. It also helps employers realize whether they have breached the equal pay law, allowing them to correct any remaining gender pay inequalities within the workforce, thereby strengthening the voluntary path towards pay equality.

Our assessment aimed to primarily test the feasibility, practicality and utilization of a tailor-made tool, specifically designed with Georgia’s economic, political and policy context in mind. We also reviewed the impact that the tool would have in terms of fostering the implementation and enforcement of the equal pay principle in the country by suggesting an effective EPRR system, considering Georgia’s labour market and other characteristics. An effective EPRR tool would contribute to strengthening all those additional pillars mentioned above and could be a useful tool in contributing to the more effective implementation of the equal pay principle. In this study, we incorporated existing international models for the implementation of the methodology for the equal pay review and have, on the basis of our research with selected enterprises, adjusted them and designed a model best suited to Georgia’s

circumstances. We have assessed the performance of this tool through a pilot exercise targeting small, medium and large-sized companies and utilized the evidence collected as the basis for our recommendations.

1.2 International and national legislative frameworks for equal pay

Given the importance of the equal pay principle for improving gender equality in Georgia, the gender impact assessment (GIA) team reviewed all relevant international and national legal frameworks that form the basis and determine the obligations of the country concerning equal pay.

a) International context

- Georgia acceded to the **Convention on the Elimination of All Forms of Discrimination against Women⁴** (CEDAW) in 1994. CEDAW provides a comprehensive framework for challenging the various forces that have created and sustained discrimination based upon sex. Article 11 of the convention states that “States Parties shall take all appropriate measures to **eliminate discrimination against women in the field of employment** in order to ensure, on a basis of equality of men and women, the same rights”, in particular **“the right to equal remuneration, including benefits, and to equal treatment in respect of work of equal value, as well as equality of treatment in the evaluation of the quality of work”** (emphasis added).
- **The ILO Equal Remuneration Convention, 1951 (No. 100)⁵**, ratified by Georgia in 1993, obliges the country to “ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value” (Article 2). This convention defines “remuneration” and “equal remuneration”. Specifically:

4 Available at <https://www.ohchr.org/en/professionalinterest/pages/cedaw.aspx>.

5 Available at https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312245.

- “The term remuneration includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker’s employment” (Article 1).
- “The term equal remuneration for men and women workers for work of equal value refers to rates of remuneration established without discrimination based on sex” (Article 1).
- The **Association Agreement between the European Union and the European Atomic Energy Community and their Member States, and Georgia**,⁶ signed by Georgia in 2014, envisages several provisions related to gender equality issues and employment policies. According to Article 239, the Parties may cooperate in trade-related aspects of the ILO Decent Work Agenda, including gender equality. Furthermore, Article 348 says that the Parties shall strengthen their dialogue and cooperation on promoting the Decent Work Agenda, employment policy, gender equality and anti-discrimination. Article 349 adds that cooperation may cover equal opportunities and anti-discrimination issues, aiming at enhancing gender equality and ensuring equal opportunities between men and women. Furthermore, Annex XXX lists the EU directives to which Georgia should gradually approximate its legislation. Among them is **Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation**.⁷ This directive refers to the provisions of Article 141(3) of the Treaty⁸ and says that it provides “a specific legal

basis for the adoption of Community measures to ensure the application of the principle of equal opportunities and equal treatment in matters of employment and occupation, **including the principle of equal pay for equal work or work of equal value**” (emphasis added). In addition, the directive says that “the principle of equal pay is not limited to situations in which men and women work for the same employer”. The directive has a separate article about the prohibition of discrimination: “For the same work or for work to which equal value is attributed, direct and indirect discrimination on grounds of sex with regard to all aspects and conditions of remuneration shall be eliminated. In particular, where **a job classification system is used for determining pay, it shall be based on the same criteria for both men and women and so drawn up as to exclude any discrimination on grounds of sex**” (emphasis added).

- One of the planned activities in the scope of the 2018-2020 Work Plan for the **EU-Georgia Association Agreement Implementation Framework**⁹ is to “enhance non-discrimination in the workplace; [and] **promote equal pay for equal work**” (emphasis added). Within this activity, the specific results/output is defined as “work undertaken in the framework of [the] EU-Georgia Sub-Committee On Employment, Social Policy, Equal Rights and Public Health on legislative amendments to fully incorporate the ‘equal pay for equal work of equal value’ principle and on developing tools to prevent discrimination, notably gender-based in the whole recruitment process”. The responsible entity to fulfil this activity is the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia.
- Georgia also subscribed to the UN 2030 Agenda for Sustainable Development and expressed

6 Available at [https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830\(02\)](https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22014A0830(02)).

7 Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32006L0054>.

8 Treaty establishing the European Community (1997).

Available at <http://hrlibrary.umn.edu/instate/EUAmsterdam-treaty.pdf>.

9 EU-Georgia Association Agreement Implementation Framework: Trade and Sustainable Development – Work Plan 2018-20 (June 2018). Available at https://trade.ec.europa.eu/doclib/docs/2019/april/tradoc_157858.pdf.

the willingness to implement it, pursuing the **Sustainable Development Goals (SDGs)** it outlines. The 2030 Agenda consists of 17 SDGs, along with 169 targets. SDG 5 – to achieve gender equality and empower all women and girls – is specifically related to gender equality. However, other goals also incorporate issues relevant to equality between women and men. Equal remuneration issues are described in SDG 8 – to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Georgia has prepared a Sustainable Development Goals National Document,¹⁰ which defines the priorities of the UN SDGs at the national level, aimed at promoting the implementation of the SDGs and at introducing evidence-based national policies according to the 2030 Agenda. According to this document, the country takes responsibility for achieving the following target in the scope of SDG 8: **By 2030, implement effective state policy to achieve productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value** (target 8.5).

b) National context

- As previously stated, the recent amendments in the **Labour Code of Georgia** now oblige employers to ensure equal remuneration for female and male employees conducting equal work (Chapter 2, Article 4).
- In 2010, Georgia adopted the **Law of Georgia on Gender Equality**,¹¹ with the purpose to “ensure that there is no discrimination in any aspect of public life; create proper conditions for the realisation of equal rights, freedoms and opportunities for men and women; [and] prevent and eliminate any discrimination”. This law sets general provisions regarding gender equality in the workplace. According to the law,

“the State shall support and ensure equal rights for men and women in political, economic, social and cultural life” (Article 4) and “the State shall provide equal employment opportunities for men and women” (Article 6). Moreover, to protect gender equality, equal treatment in the evaluation of the quality of work of men and women should be ensured. The law also sets examples of exceptions from the rule, when it says that in some cases unequal conditions can be acceptable: “during recruitment and in the course of employment **persons may be put in unequal conditions and/or given priority over others** on the basis of sex due to the substance and specificity of work or due to specific conditions required for its performance, and also if it serves a legitimate purpose and is appropriate and necessary for achieving that purpose” (Article 6) (emphasis added).

- The **Law of Georgia on the Elimination of All Forms of Discrimination**¹² aims to eliminate every form of discrimination and to ensure equal rights for every natural and legal person under the legislation of Georgia, irrespective of various characteristics including sex. The requirements of the law apply to the actions of public institutions and organizations, as well as the actions of natural and legal persons in all spheres. The law also defines some penalties in cases of violations to the provisions of the law, as well as defines the monitoring body responsible for monitoring issues relevant to discrimination and inequality. In particular, the law says that “to eliminate discrimination, any institution shall be obliged to: [...] impose liability on offenders [...] and ensure that the consequences of discrimination are eliminated without prejudice to the rights and legitimate interests of third persons” (Article 4). The Public Defender of Georgia is set as a responsible body to monitor issues regarding the elimination of discrimination and ensuring equality.

¹⁰ Available at <https://sdg.gov.ge/text-page/34>.

¹¹ *Law of Georgia on Gender Equality* (2010). Available at <https://matsne.gov.ge/en/document/view/91624?publication=9>.

¹² *Law of Georgia on the Elimination of All Forms of Discrimination* (2014). Available at <https://matsne.gov.ge/en/document/view/2339687?publication=0>.

1.3 Methodology for the GIA of the EPRR tool

GIA aims to support public institutions in effective governance and is a tool for evidence-based policymaking that makes it possible to identify the likelihood of a given decision having negative consequences for the state of equality between women and men. This type of equality-focused impact assessment provides a mechanism to build equality considerations into policymaking, providing a clear and structured way to consider evidence about the needs of different groups, while assessing the impacts of the policy. GIA is the process of identifying the future consequences of a current or proposed action. It helps estimate the different effects (positive and negative) of any policy being implemented in terms of gender equality, and it takes into account the different needs, characteristics, priorities and behaviours of the users at whom the policies are ultimately aimed. This study applied the GIA methodology to the assessment process of the EPRR tool as a way to further contribute to evidence-based policymaking and to strengthening gender equality.

The study had multiple objectives, as it addressed complex issues and different phases of the equal pay review process. As such, in addition to conducting the GIA of the proposed EPRR tool, this study also tested the tool within the Georgian context and assessed the process of conducting an equal pay review in practice. In particular, the study:

- Explored alternative equal pay review processes in other countries and their suitability to the Georgian context
- Explored alternative tools that could be used in the equal pay review process
- Identified the most suitable tool, given the Georgian context, and adjusted it to the Georgian labour market
- Tested the selected tool with real companies of different sizes to understand different impacts of the selected tool, including how the tool is received
- Used the information collected during the test to inform policymakers as they look for an optimal way to introduce the equal pay review process in

Georgia

- Showcased the possible contribution of the GIA methodology to the policy design and evaluation process in national institutions

Generally, the GIA process dedicates significant effort towards examining the gender relevance of the proposed action – whether the action is likely to impact gender equality or not, and to what extent. Throughout this process, the following elements were taken into account: who are direct and indirect beneficiaries of the action; how does the proposed initiative affect women and men regarding their access to and/or control of resources; does the proposed initiative impact the social situation or position of women and men; and how. However, this particular GIA is exceptional in this regard as the proposed EPRR tool itself is a tool for furthering gender equality and there was no need to explore its gender relevance in great detail, as many of the above-mentioned questions were addressed throughout the document.

This GIA was conducted from November 2020 to May 2021. Throughout the study period, the GIA team worked in coordination with UN Women and the Tripartite Commission working group, which consisted of representatives of the following entities: the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia; the Labour Inspectorate; the Ministry of Economy and Sustainable Development of Georgia; the Georgian Employers' Association; the Georgian Trade Union Confederation; and the Public Defender (Ombudsman) of Georgia. The GIA team, together with the working group representatives, decided on the scope of work and its main directions. The GIA team kept the working group up to date on the progress of the analysis, taking their recommendations and suggestions into account.

The analysis was undertaken in different phases, as follows:

- a) Preparatory work** – During this phase, the GIA team conducted an initial meeting with UN Women and the Tripartite Commission working group. This meeting aimed to present

the concept of GIA to the working group and choose the most relevant direction for the EPRR analysis.

b) Desk research, analysis of secondary data and consultations

– The second phase involved desk research to gather information on international experience addressing the gender wage gap, the definition of equal pay for equal work globally, international frameworks designed to promote equal pay for equal work, national legislation on the topic, research findings, and alternative equal pay and gender wage gap monitoring processes in other countries.

During this stage, it was decided to focus on an EPRR instrument, rather than on gender wage gap reporting, as the principle of equal pay focuses strictly on the same area of activity within the same establishment (for individuals similarly qualified, working under similar working conditions, with similar seniority and a similar quality and quantity of performance) and directly addresses recent amendments to the Labour Code (e.g. “employers shall ensure equal remuneration of female and male employees for equal work performed”). Furthermore, the gender pay gap represents a broader measure of the difference in average earnings of women and men, regardless of the area of expertise and the nature of their work within an enterprise, business sector or industry or the economy as a whole. Equal pay does directly address only one aspect of sex discrimination in employment: unequal pay for equal work. Finally, gender pay gap reporting does not give women the information they need to challenge unequal pay. For that, they need to have access to information on the earnings of their colleagues, which the EPRR tool potentially offers in cases of suspected gender discrimination.

Within this stage, all relevant national-level studies and documents were analysed, and the

GIA team used as supporting evidence the data from the National Statistics Office of Georgia, with a focus on a statistical survey of enterprises and general business statistics.

In terms of a qualitative analysis, the GIA team used in-depth interviews (online and telephone) with the key stakeholders to assess the existing readiness to implement an EPRR system in the current Georgian context. The following entities were interviewed: the National Statistics Office of Georgia, the Public Defender’s Office, the Labour Inspectorate and the Ministry of Economy and Sustainable Development of Georgia.

c) Constructing the EPRR tool – During this stage, the GIA team:

1. Reviewed the experience of Australia, Belgium, Canada, Denmark, France, Germany, Italy, Sweden, Switzerland, the United Kingdom and the United States, with a particular focus on the characteristics of the German and of the Swiss equal pay analysis tools (Logib-D and Logib, respectively).
2. Reviewed the Diagnosis for Equal Remuneration (DER)¹³ tool, a new self-evaluation tool developed by UN Women for companies and organizations committed to equality. After a detailed revision, the DER tool by UN Women and the standard analysis tool (Logib) used in Switzerland were chosen as the base for the Georgian EPRR tool. The proposed EPRR tool is mostly based on the variables used in the DER and Logib models, although some variables have been added and some have been modified to adjust the tool to the Georgian labour market.

It was decided to structure the EPRR tool as a user-friendly Microsoft Excel file, whereby the companies using it would be able to fill in the data easily on their own. At this stage, the **Excel file** and a **detailed manual on the EPRR tool** were prepared. The EPRR Excel file was constructed by modifying the original DER tool’s Excel file

13 The DER tool supports companies and organizations in assessing whether they are applying the “equal pay for work

of equal value” principle, in line with ILO Convention No. 100.

(the manual of the EPRR tool for Georgia and a screenshot of the Excel file are presented in Annex A and Annex B, respectively).

- d) Selecting companies to collect the data** – In parallel to creating the EPRR tool, the GIA team commenced contacting companies, explaining to them the EPRR tool and its importance, and getting their permission to test the model within their enterprise. During this stage, the GIA team cooperated closely with the Georgian Employers' Association.

It was decided to test the tool in three Georgian companies of different sizes – small, medium and large – since, based on international experience and local consultations, the impact of the EPRR and similar tools on companies is expected to differ by company size. To define the categories, the team used the classification system of the National Statistics Office of Georgia (Geostat), which groups enterprises by size as follows:

- Small enterprises are entities of any organizational-legal form that do not exceed the following limits for the number of employees and annual turnover respectively: 50 employees and GEL 12 million.
- Medium enterprises are entities of any organizational-legal form that do not exceed the following limits for the number of employees and annual turnover respectively: 249 employees or GEL 60 million.
- A large enterprise is an enterprise in which the number of employees exceeds 249 persons or the annual turnover exceeds GEL 60 million.¹⁴

During this stage, the GIA team contacted six company representatives, two per category. Of these six companies, only three (two large and one small-sized companies) agreed to meet with the ISET-PI researchers. The GIA team presented the context of the EPRR tool and the tool itself and got initial feedback from these companies. During the meeting, it became obvious that three

types of contracts that were initially included in the EPRR tool (permanent, temporary and external) were not fitting the Georgian context, so it was decided to replace external contracts with one that is quite widespread in the country – service contracts. In addition, there was a suggestion from the companies to include internships as a separate type of position. The feedback from the companies was concurrently incorporated into the EPRR tool.

- e) Testing the tool** – After finalizing the EPRR tool, only two companies, one small and one large, agreed to test it. Additional efforts were made by the GIA team to enrol one medium-sized company in the testing process, with the assistance of the Georgian Employers' Association representative, but these efforts were not successful. Moreover, UN Women also tried to contribute to this process by contacting five additional partners – medium-sized companies – but without positive results. As discussed in greater detail in section IV, in the absence of an obligation to fill in this transparency tool, most Georgian companies are reluctant to share employee data (especially regarding salaries). The testing period ran from mid-February through the end of March 2021. The GIA team researchers were monitoring the process and were available to answer questions or provide other clarifications. Testing the tool took two weeks per company.

After completing the testing process, the GIA team analysed the impact of the proposed tool on the companies that chose to cooperate. For this purpose, the GIA team had an exit briefing with each company's representatives responsible for filling in the tool. Additional questions were asked of the companies to identify possible challenges related to the process once the testing phase was finalized. The evaluation also assessed any potential unnecessary or disproportionate burden or complexity. The results and findings are summarized in section IV of this report.

14 This gradation of enterprises has been in action since 2017. Source: Geostat.

<https://www.geostat.ge/media/35015/Krebuli-2020.pdf>

- f) **Gender impact and equality assessment and writing the report** – During this stage, all information gathered during previous stages was analysed in a gender context.

Given the non-mandatory nature of the requirement to implement the EPRR tool and given the current global context, this study had several limitations:

1. **Refusal of medium-sized company to test the tool** – As previously stated, the GIA team wanted to test the EPRR tool in three companies (one per size category). However, at the testing stage, none of the medium-sized companies contacted agreed to test the tool. Their reasons for refusing were the following: (a) unwillingness to cooperate due to busy working schedule; (b) unwillingness to disclose salary data; or (c) willingness to share only the part of salary data for the employees whose salaries are publicly available and who are at the lower levels of the organizational structure.
2. **COVID-19 pandemic** – Most of the companies interviewed stated that, due to the COVID-19 pandemic, they had changed their workload and were not operating at their usual capacity. This implies that the

analysis' results about the remuneration of employees and the revealed pay gaps may not represent a general status of affairs in the company but, rather, specific circumstances as a result of the global pandemic's impact on selected small and medium-sized enterprises in Georgia. Thus, the actual numerical results of the EPRR tool should be taken with caution and be understood within the context of these exceptional circumstances. Overall, however, the testing of the tool itself, the identification of related challenges (including the required time and resources) and the assessment process itself were not affected.

3. **Selection bias of companies** – As it was a goodwill gesture of companies to participate in the testing of the EPRR tool, tested companies might not be fully representative (i.e. self-selection bias). However, for the purpose of testing the implementation challenges and the level of resources and time required to conduct the equal pay review, we did not expect selection bias to play a big role. Our expectation was based on the fact that the focus of this GIA was to test the tool itself, not the assessment of equal pay for equal work in representative companies.



DEFINITION OF POLICY PURPOSE

2.1 The problem, its consequences and potential causes

In Georgia, the unadjusted gender pay gap amounts to 37.2 per cent calculated based on monthly wages and 17.7 per cent based on hourly wages (UN Women, 2020). This difference expresses the tendency that females on average work fewer hours compared to males in Georgia. Specifically, the number of hours worked by women is about 17.9 per cent less than the hours worked by men (UN Women, 2020). Thus, the gender gap in hours worked explains one third to one half of the gender pay gap calculated on a monthly basis (UN Women, 2020). The unadjusted gender pay gap can be decomposed into explained and unexplained parts. The explained component of the unadjusted gender pay gap is the gap between male and female pay due to the differences in personal and labour-market characteristics, whereas the residual component of the gender pay gap measures the difference between the earnings of males and females who have identical characteristics. The unexplained part could be attributed to unobservable factors or to pay discrimination (see section 2.1.2). Once personal and labour-market characteristics (including occupation and sector of employment) are taken into consideration, the adjusted (hourly) gender pay gap in Georgia is estimated at 24.8 per cent (UN Women, 2020), higher than the unadjusted. The positive difference between the adjusted and unadjusted gender wage gap highlights the fact that employed women in Georgia appear to receive lower pay, compared to employed men, despite having – on average – better personal and labour-market characteristics. The reasons for this adjusted gap remain unexplained. This might be due to unobservable (to the researchers) characteristics, selection bias or simply discrimination against women (UN Women, 2020). The adjusted gender (hourly) pay gap appears to decline (at 12 per cent, according to UN Women estimates) once the researchers control for selectivity¹⁵ (UN Women, 2020). After controlling for characteristics and selectivity, the residual

gender pay gap, which measures the difference between the earnings of males and females with identical characteristics, could be ascribed to either remaining unobservable factors or labour-market discrimination (UN Women, 2020). **Therefore, the analysis of data regarding the gender pay gap points out the potential problem in terms of unequal pay in Georgia.** However, unequal pay for equal work is not necessarily a problem for all employers. Pay discrimination can only be verified at the individual employer level, by calculating the unexplained gender pay gap at the organizational/ employer level and validating whether these differences exist and why.

2.1.1 Consequences of the problem

Employment inequality¹⁶ has obvious repercussions on labour-market attachment, and it contributes to strengthening existing gender norms and values. The international literature suggests that the consequences of unequal pay for equal work can be grouped into the following categories:

- Lower wealth accumulation, lower access to finance and higher risk of poverty – including old-age poverty – for women and households depending on female earners' incomes
- Impaired childhood development
- Unequal uptake of paternity leave and unequal distribution of unpaid care work
- Unequal opportunities and/or incentives to develop skills, and lower probability of promotion

Unequal pay, along with lower female labour-force participation, has a major impact on female incomes both during and after their years of employment and/or family building. This reduces women's capacity to accumulate wealth and access finance, perpetuating a situation in which women not only have unequal access to housing assets but also have fewer opportunities to accumulate savings for the future (Warren, Rowlingson and Whyley, 2001).

15 This basically can be taken as an indication that employed women in the sample do not constitute an accurate representation of the population of working-age women and

that, were all women employed, we would observe a lower gender pay gap.

16 Employment inequality is the unequal treatment of employees in the workplace based on their gender, race, etc.

In Georgia, there is a clear gender gap in asset ownership in almost every type of asset (e.g. dwellings, agriculture land, and other real estate) in favour of men.¹⁷ Hence, women are less likely to draw income from assets during their working lives and use them as a provision for retirement. This unequal distribution of wealth makes women less likely than men to have a material “safety net” to protect them in times of hardship. Another implication of lower wealth accumulation is a lack of collateral that, along with unequal pay (and a lower capacity to repay), restricts women from having equal access to finance compared to males. Consequently, women are more disadvantaged than men due to unequal wealth accumulation and unequal pay. Although some women might receive compensation through social transfers or income shared within the household, women still face a higher probability of poverty (especially within female-headed households).

Unequal pay, by impacting female individual incomes, increases women’s risk of poverty and contributes to their relative powerlessness. This impact extends well beyond working age. Poverty among old-age women is another important implication of unequal pay and lower female labour-force participation. In Georgia, old-age support consists of a pension in two parts: basic and contribution-based. According to the Law of Georgia on Funded Pensions, the contribution-based part of the pension depends on how much is accumulated in the individual’s pension account. This, in turn, depends on the amount of salary received, as all of the engaged parties transfer a fixed proportion of the employee’s salary to the account each month.¹⁸ Since unequal pay is reflected in unequal transfers to individual accounts, women face a higher risk of poverty when older. This risk is further increased by women’s greater life expectancy,

causing accumulated pension contributions and other assets to be spread over a longer period of time. Employment inequality and a higher risk of poverty for women also translate to a higher risk of poverty for households depending on female earners’ incomes.

Female income is not only associated with women’s material welfare but also affects their parenting capacity and, thereby, their children’s well-being. The physical and mental well-being of mothers is negatively affected by unequal pay, as poverty is associated with poor physical health, stress and depression (Women’s Budget Group, 2005). The poor mental health and well-being of mothers impact on mother-child interactions and childcare activities, which is consequently reflected in children’s development (Dearing, McCartney and Taylor, 2001). As a result, deterring unequal pay might play a significant role in preventing both child poverty and poor children’s development.

Unequal pay is also directly linked to the unequal uptake of parental leave and unequal distribution of within-household care responsibilities. For all employees excluding civil servants (who are compensated based on their official salary), the cash payment received during paid leave is fixed at GEL 1,000. This amount is supposed to be split between parents depending on the number of days of parental leave taken. Therefore, even in an ideal situation – one in which men and women have the same ease of access to parental leave¹⁹ – unequal pay and the unequal provision of cash benefits for the duration of the paid leave period would still be introducing a bias towards female workers taking the leave (as the loss of income for women would be lower than the loss of income if men were to take

17 See Geostat’s Pilot Survey on Measuring Asset Ownership and Entrepreneurship from a Gender Perspective. Available at <https://www.geostat.ge/en/single-archive/3212>.

18 *Law of Georgia on Funded Pensions* (2018). Available at <https://matsne.gov.ge/en/document/view/4280127?publication=0>.

19 As far as parental leave is concerned, in Georgia, it may be enjoyed in whole or in parts by the mother or the fa-

ther of the child; the law gives parents the opportunity to choose which one of them takes the parental leave on their own. Even though the existing legislation does not formally create barriers for fathers to take parental leave, it is still not explicit or clearly defined how fathers can use the parental leave in practice, due to vague formulations in the law. Thus, it becomes difficult or impossible for fathers to take the parental leave.

the parental leave). That is why maternity leave is overwhelmingly taken by mothers, whereas the take-up rate of parental leave among men is almost non-existent. The same bias might also be strengthening the imbalance in the distribution of tasks within the household, particularly those associated with the support of family members needing care.

In Georgia, the distribution of tasks within the household is quite gender-segregated, with women spending more time on family responsibilities; on average, women spend 45 hours on unpaid care work each week, while men devote only 15 hours per week (UN Women, 2018). As a result, unequal uptake of parental leave along with unequal pay is likely to contribute to more uneven distribution of unpaid care work and other household tasks, which in the longer term will be reflected in strengthened gender norms and values and lead to the low or virtually non-existent parental leave take-up among men. The unequal uptake rate of parental leave and unequal distribution of family responsibilities further exacerbates gender inequality and impacts female labour-force participation.

Lastly, if we have a look at the achieved level of education disaggregated by gender, we observe that more females are attaining higher-level degrees.²⁰ Overall, therefore, data do not seem to indicate that women are discouraged from investing in education. While a more rigorous analysis would be needed to confirm or confute this conclusion, it is certainly true that women – on average – do not enjoy similar working conditions and opportunities as their male counterparts, including opportunities and/or incentives to develop their skills. Due to this, females tend to suffer from a lower probability of promotion compared to their male counterparts (Blau and DeVaro, 2006). In addition, females are not only less likely to be promoted, but their wage growth is also lower in the year that they received a promotion (Javdani and McGee, 2015). All of these elements are likely to contribute to women's weaker attachment to

the labour force, possibly leading to women opting out of the labour market, with substantial losses for society and, in the longer term, even a higher probability of poverty for women.

In conclusion, unequal pay for equal work hinders the achievement of SDG 5 on gender equality, as well as (to varying degrees) SDG 1 – No Poverty; SDG 3 – Good Health and Well-Being; SDG 8 – Decent Work and Economic Growth; and SDG 10 – Reduced Inequalities.

2.1.2 Causes of the problem

To promote equal pay for equal work, it is important to investigate the reasons behind unequal pay. Unequal pay for equal work is often associated with wage discrimination, which is commonly defined as unequal pay among workers with similar skills who perform the same work in the same company (Becker, 1957; Bergmann, 1986). The international literature suggests several theories explaining wage discrimination. According to the **taste for discrimination** theory (Becker, 1957), employers pay minority groups – with productivity similar to non-minority groups – lower wages to compensate for the psychological loss employers experience. If, however, non-discriminatory employers existed, they could gain an edge over the discriminatory ones just by hiring more women. Over time, this process would lead to a reduction in the pay gap between women and men.

According to **statistical discrimination** theory (Phelps, 1972), employers base their judgment on average group characteristics to cost-effectively predict the productivity of employees and set wages accordingly. It has been argued that, if the statistical discrimination was based on stereotyping and/or wrong information, it would also diminish over time. However, it has also been pointed out that statistical discrimination by affecting the behaviour and choices of employers (e.g. fewer promotions, fewer

20 In 2019, among the population aged 15 and over, 32 per cent of females and 28 per cent of males have attained higher education, and 20 per cent of females and 14 per

cent of males have attained secondary vocational education. Source: <https://www.geostat.ge/media/38263/Women-and-Men-in-georgia%2C-2020.pdf>.

opportunities for growth, etc.) might be leading to the realization of the very outcomes motivating the statistical discrimination in the first place (e.g. higher turnover, lower effort, etc.). This theory does not necessarily predict a convergence between men's and women's salaries.

A third theory, **monopsonistic discrimination** (Robinson, 1933), instead suggests that, in the case of imperfect competition, wage discrimination occurs when a minority group employee has no alternative work opportunity. According to this theory, due to the lack of mobility to find a new – and similar – job and low bargaining power, employers are exploiting their wage-setting power to increase their profits (Hirsch, 2016). This type of discrimination can be reinforced by sectoral segregation, for example, due to societal gender biases, when a society offers fewer opportunities to minority groups trying to find jobs outside the sector in which the society expects them to operate. This could explain wage differentials among equally skilled females and males in male-dominated jobs (Bergmann, 1986). Unequal pay for equal work due to monopsonistic discrimination can also emerge in the presence of labour-market segmentation (Edwards, Reich and Gordon, 1975). In sectors where employees' power is weak, discriminatory employers can experience higher profits, as wage discrimination against minorities is a labour cost-reduction strategy.

Unequal pay for equal work, however, can also emerge in the absence of discrimination. According to the economic literature, wage structures depend on several other factors, including labour-market structure, historical patterns, social norms and gender relations (Rubery, Grimshaw and Figueiredo, 2005). Employees' preferences, risk attitudes and personality traits also play a significant role in determining wages. Among the other factors suggested by the international literature that will be discussed throughout the analysis are the following categories:

- Unequal distribution of tasks in the workplace due to:
 - Maternity leave
 - Other family responsibilities

- The interaction between wage-setting regimes and structures, preferences and personality traits
- Seniority

One way in which differences in preferences – or social norms and gender relations – could lead to unequal pay for apparently equal work might be the de facto unequal distribution of tasks in the workplace. For example, some workers might prefer to work overtime (including during weekends), while others do not (or cannot). Different attitudes towards work-life balance might also be reflected in unequal opportunities for additional pay and contribute to unequal pay. Across genders, such differences might be exacerbated – more than by preferences – by the unequal distribution of tasks within the household.

As mentioned above, in Georgia, the distribution of tasks within the household are quite gender-segregated, with women spending 45 hours on unpaid care work each week, while men devote only 15 hours per week (UN Women, 2018). There is substantial evidence documenting that women often face earning penalties and are constrained in their labour-market behaviours due to inadequate maternity pay, inflexible working hours or the lack of childcare (Gash, 2008). As for the “motherhood penalty” or “child penalty”, the literature suggests that women often experience it when they try to combine paid employment and care activities. Employers and industries still tend to prioritize traditional work with long, continuous working hours, rather than flexible work schedules. As a result, they reveal a preference that tends to put women with children at a disadvantage (Goldin, 2014). A similar impact is associated with the need to provide care for other family members in need (Ciccarelli and Van Soest, 2018). Thus, motherhood and other care responsibilities could be regarded as some of the causes contributing to unequal pay, due to the loss of earnings that occurs during child-rearing stages or to the need to turn down opportunities to increase one's pay – through overtime work and, possibly, the performance of more remunerated (extra) tasks – in exchange for greater flexibility.

Wage-setting regimes and structures, interacting

with gender differences in risk attitudes and other personality traits also have an important influence on gender earnings differentials. For example, women typically appear more cautious and less competitive than men (Croson and Gneezy, 2009). Women, on average, are also less willing to take risks than men, and this difference gets amplified under stress (Mather and Lighthall, 2012). As long as workers can choose their preferred compensation scheme, differences in preferences and personality traits might lead to unequal pay. As males tend to be more competitive and achievement-oriented, they might choose riskier (but more remunerative) salary schemes associated with “tournaments” and/or performance-based bonuses, while women – being more cautious and less competitive – might choose salary schemes that ensure a stable – albeit lower – income. As a result, males and females who have the same job position and similar characteristics might receive different salaries.

Unequal pay could be driven by gender differences in personality as well. According to the psychological trait theory, personality traits can be regrouped into five big categories, known as the Big Five personality traits: extraversion, emotional stability, agreeableness, openness to experience and conscientiousness. It has been argued that gender-based differentials in wages might arise since women exhibit higher levels of agreeableness compared to males (Braakman, 2009; Risse, Farrell and Fry, 2018). The negative relationship between agreeableness and the wages of females might be the consequence of the fact that agreeable individuals are less likely to ask for a salary raise and less likely to use negotiation tactics effectively while negotiating for higher wages (Card, Cardoso and Kline, 2016). The latter is particularly important in situations in which clearly defined salary schemes are absent, as it is in these cases that individual negotiating skills become crucial to ensure salary increases. Thus, gender differences in the approach to negotiating might contribute to unequal pay even though employees have the same job and perform similar tasks. In conclusion, both differences in risk attitudes and personality traits can be expected to lead to the observation of unequal pay for equal work even in the absence

of discrimination, especially within less structured wage-setting systems. There is indeed evidence that female earnings benefit more from more centralized wage-setting systems and collective wage bargaining, whereas males’ earnings benefit more from fragmented and individualized wage-setting systems, which incorporate productivity-related payments, performance pay and bonuses. Such differences in wage-setting regimes and structures tend to widen wage disparity even more as not only are male employees more likely to receive such bonuses, but they also receive larger payments compared to women (Rubery, Grimshaw and Figueiredo, 2005). Proof that negotiation experience and attitudes are extremely important in wage setting and confirmation of gender differences in this crucial dimension is provided by the observation that feminized sectors often have weaker traditions of collective bargaining than masculinized ones (Plantenga and Remery, 2006). As a result, earnings are often lower for both women and men working in female-dominated occupations or workplaces (Rubery, Grimshaw and Figueiredo, 2005).

The difference in seniority is also a potential cause of unequal pay for equal work. While this is typically the case, this is particularly true for formerly feminized (e.g. nurses, teachers) and masculinized jobs (e.g. public transport drivers), where social preferences have changed. In this case, members of the gender that are just now accessing the occupation are bound to have lower seniority than the “dominant” gender and, therefore, receive lower pay for the same job.

2.2 What is this policy/project, and why is it being considered for this situation?

In September 2020, the Parliament of Georgia adopted an extensive package of changes to the Labour Code of Georgia. According to one of the main updates to the Labour Code, employers now are obliged to ensure equal remuneration for female and male employees conducting equal work (Chapter 2, Article 4). Based on the changes to the Labour Code, it became necessary to develop and test a tool to detect unequal pay for equal work, supporting

the identification of potential instances in which women might be discriminated against in terms of remuneration.

This assessment aims to develop and test an EPRR methodology for Georgia. Within the scope of this project, the EPRR tool was developed and tested with selected companies. The goals of the testing were multiple. First, to assess whether women and men enjoy equal pay for equal work in said companies; and how prevalent unequal pay is in our small sample. In addition to the identification of existing gender pay inequalities within the selected organizations, this process helps estimate the time and resources required to perform the data-collection exercise and the challenges associated with the introduction of the tool in the Georgian context. This is useful in predicting the expected impact of the introduction of the tool on companies and public administration. The testing stage also allows for collecting evidence about the attitudes of companies regarding the EPRR tool, identifying – if any – its most controversial aspects and directions for improvement.

2.3 How the proposed policy/project contributes to gender equality

The EPRR tool is not simply a data-collection exercise. It identifies existing gender pay inequalities within the organization and allows companies to investigate further – and single out potential causes of unequal pay. Promoting the usage of the EPRR tool will be an essential step towards more equal working environments for males and females and for reducing existing gender differences in income and wealth. Enhanced working conditions for

women are expected to result in improved labour-market attachment, which itself contributes to enhancing overall gender equality. Another expected benefit from the introduction of the EPRR tool is the increased availability of more accurate statistics about remuneration, disaggregated by sex, which itself encourages and supports further research on unequal pay, including its causes and evolution. As a result, it is expected that society's awareness level about the equal pay for equal work principle and for the importance of securing women's working rights will increase. Thus, female employees will have more information and opportunities to protect their rights, which itself will contribute to gender equality overall.

2.4 International gender equality reporting schemes

Worldwide, there is a growing consensus that transparency is the key to dealing with pay inequality and, hence, gender pay reporting should become the norm rather than the exception. Since 2010, several countries (mostly developed countries) have introduced reporting schemes to monitor gender pay gaps in the workplace, promote awareness of gender equality in society (particularly among employees) and increase organizations' accountability to address gender inequalities.

However, the gender pay gap remains one of the key issues where disclosure of information is particularly low. **According to the Equileap 2021 report,²¹ 85 per cent of organizations did not publish any information about the differences in the remuneration of female and male workers in 2020.²²** Of the 15 per cent of the organizations that

21 Equileap is an independent data provider specialized in the provision of gender metrics. Their goal is to “enable investors to make better investment decisions with data on equality in the workplace”. Equileap (2021) covered 3,702 organizations, each having market capitalization of USD 2 billion and/or being listed on a major index in 23 developed countries.

22 In 2017, 642 organizations out of 747 (86 per cent) did not publish gender-segregated pay data. The share of organizations that published a report about gender-disaggregated information was the following: 68 per cent of surveyed organizations in Italy, 67 per cent in Israel, 50 per cent in Singapore, 44 per cent in Spain, 38 per cent

in Australia, 30 per cent in Norway, 20 per cent in New Zealand, 17 per cent in Finland, 15 per cent in France, 13 per cent in the Netherlands, 10 per cent in Germany, 9 per cent in Canada, 9 per cent in Sweden, 8 per cent in Hong Kong, 7 per cent in the United States, 5 per cent in the United Kingdom and 5 per cent in Switzerland (no organizations from Austria, Belgium, Denmark and Japan) (Equileap, 2018). The fact that the share of organizations that submitted gender pay gap reports decreased in 2020 compared to 2017 might be related to the COVID-19 pandemic in 2020. Some governments suspended gender pay gap reporting requirements for 2019/20.

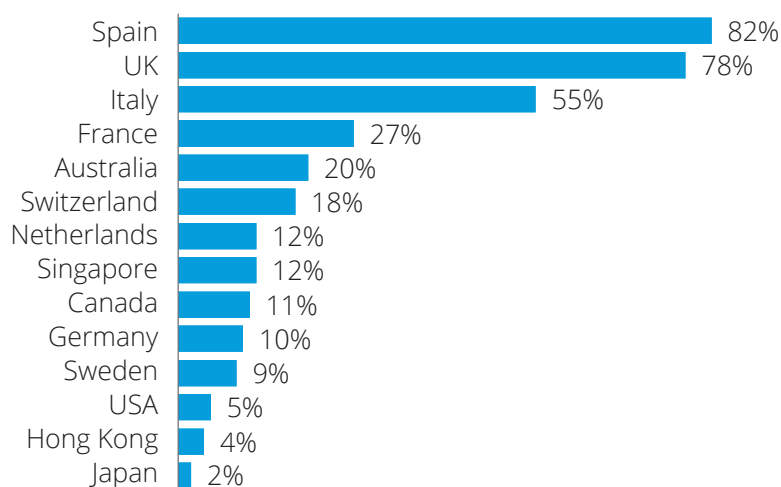
did disclose information about the gender pay gap, **only 5 per cent published information about pay bands** (for employee categories: board, executives, management and workforce). Thus, **most of the organizations disclosed overall gender pay gaps** (i.e. the average pay for women divided by the average pay for men) or **pay equality figures** (equal pay for equal work disclosure²³ was particularly low in North America – only 5 per cent of organizations published gender-disaggregated data about employees’ salaries – and Asia and Pacific – where that figure was only 8 per cent). Gender pay reporting was notably higher in Europe, where 35 per cent of organizations provided reports on the gender pay gap.

Three countries lead the way in gender pay gap

reporting: Italy, Spain and the UK. In Spain, 82 per cent of organizations published gender-disaggregated pay information, while this number was 78 per cent and 55 per cent in the UK and Italy, respectively. Each of these countries **recently introduced legislation on gender pay reporting requirements (with mandatory reporting)** and implemented effective measures to ensure appropriate law enforcement. In addition, **France recently introduced the same type of legislation, albeit with non-mandatory reporting**, achieving a notably lower disclosure rate, only 27 per cent. At the country level, **gender pay gap reporting was particularly low in Germany (10 per cent), the United States (5 per cent), Hong Kong (4 per cent) and Japan (2 per cent)** (Equileap, 2021).

Diagram:

Share of organizations publishing gender pay information per country



Source: Equileap, 2021.

Note: Countries are included if they have more than 49 organizations in a data set.

23 Equileap defined disclosure as whether or not organizations have published gender-disaggregated pay information.

There is a great variety of approaches that governments use to ensure transparency of gender pay equality and monitor the current situation in this regard. The Workplace Gender Equality Agency²⁴ (WGEA) **identifies five types of gender reporting schemes that require organizations to provide information about different parameters of equal pay (WGEA, 2019b)**. Although these reporting types are quite different, there are some similarities among them, including the obligation of collecting and investigating gender-disaggregated data, ensuring transparency of the gender pay information and requiring organizations to act on gender inequality (WGEA, 2019b). The most accurate and transparent way of reporting gender pay gaps, according to WGEA, is to provide gender-disaggregated information for different employee categories²⁵ rather than presenting a single, aggregated figure (GRI, 2016). WGEA (2019b) identifies the following five approaches:

1. **Conducting comprehensive equal pay reporting:** collecting information on employee remuneration and gender equality policies from organizations by the government agency and publishing corresponding reports. Australia's gender pay reporting legislation is a prominent example of comprehensive equal pay reporting. Australian organizations are required to submit raw data about six gender indicators to WGEA, which calculates gender pay gaps and makes these indicators available to the general public (for detailed information, please see case study 1 below).
2. **Ensuring transparency of equal pay reporting:**

reporting gender pay gaps on an organization level. The UK is a good example of this reporting approach: organizations in the UK are required to calculate different measures of the gender pay gap and publish them on a government website (for detailed information, please see case study 2 below).

3. **Acknowledging organizations for meeting equal pay requirement (legislative approach):** granting organizations certification when they meet predetermined standards. Iceland's reporting scheme represents a prominent example of this approach: organizations must comply with predetermined "equal pay standards" to receive certification (for detailed information, please see case study 3 below).
4. **Ensuring transparency and accountability employing equal pay reporting:** reporting gender pay gaps on an organization level, providing information about actions to close the gap and ensuring accountability of organizations. France is a good example of this approach, requiring organizations to calculate and publish indicators measuring gender pay gaps and demonstrating particular actions towards closing gender pay gaps (for detailed information, please see case study 4 below).
5. **Reporting with limited external transparency:** reporting gender pay gaps only within organizations. This approach is common in European countries (e.g. Austria, Belgium and Germany) – organizations are required to calculate and publish gender pay gap measures for internal work councils (for detailed information, please see case study 5 below).

24 The Workplace Gender Equality Agency is an Australian Government statutory agency created by the Workplace Gender Equality Act 2012. The Agency is charged with promoting and improving gender equality in Australian workplaces.

25 Employee category usually refers to the breakdown of workforce by level (e.g. senior management, middle management, junior management) and function (e.g. technical, administrative) (GRI, 2016).

Case study 1: Australia

Australia appears to be the only country in the world that requires local organizations to submit raw data to the government authority, WGEA.²⁶ WGEA collects raw data about gender equality indicators (GEIs) from all non-public sector organizations with 100 or more employees annually (organizations can submit their gender equality report to WGEA between 1 April and 31 May through an online portal). The raw data about GEIs includes the following indicators (WGEA, 2019a):

- Gender composition of the workforce
- Gender composition of governing bodies
- Equal remuneration between women and men
- Practices and conditions related to flexible working arrangements and working arrangements supporting employees with family responsibilities
- Results of consultations with employees concerning gender equality in the workplace
- Sex-based harassment and discrimination (with other matters specified by government bodies)

WGEA employs standardized calculations, ensures accuracy of the database and makes aggregated organization-level data publicly available (WGEA even designed a special tool, Data Explorer,²⁷ to present aggregated data, and the Agency publishes organization-level data (excluding confidential information) on the WGEA website). WGEA also provides Competitor Analysis Benchmark (CAB) reports,²⁸ which include information about an organization's gender equality performance relative to other organizations to help them properly track their relative progress over time and set more realistic goals to improve gender pay equality within an organization (WGEA, 2019b). Such a significant involvement of WGEA guarantees **accuracy and fair representation** of the information about gender pay gaps. Furthermore, WGEA identifies organizations that do not comply with standards, mentions them in an annual report as "non-compliant" organizations and even prevents some of them from participating in state procurement frameworks (World Services Group, 2019).²⁹

26 WGEA was established in 2012.

27 Available at <https://data.wgea.gov.au/home>.

28 A sample CAB report can be found at <https://www.wgea.gov.au/what-we-do/compliance-reporting/competitor-analysis-benchmark-reports>.

29 A sample of the gender pay gap reporting can be obtained from the Australian property group Stockland at https://www.stockland.com.au/~/_/media/corporate/pdf/about-stockland/sustainability/employee-engagement-development-inclusion-fy18.ashx?la=en.

Case study 2: United Kingdom

In 2017, the Government of the United Kingdom passed legislation requiring private, public and voluntary sector organizations with 250 or more employees (including apprentices and consultants) in England, Scotland and Wales (but not Northern Ireland) to report gender pay gap data annually (including basic pay, paid leave, bonuses and allowances, but excluding expenses and overtime) within the period from 31 March to 5 April. Gender pay gap reports are required to include the following measures (Government Equalities Office, 2016):

- The median and mean hourly gender pay gap
- The median and mean bonus payment gap
- The proportion of female and male employees receiving a bonus payment
- The proportion of female and male employees in four pay band quartiles (e.g. the top 25 per cent of earned income)

Organizations are required to publish and maintain gender pay gap reports on their websites for the following three years and provide further explanations about calculations and results, sometimes even including implemented actions to mitigate the gender pay gap (the accuracy of the gender pay gap data is confirmed by a written statement of a director or senior employee). Furthermore, employers are obliged to submit their gender pay gap data to the UK Government Equalities Office (WGEA, 2019b).³⁰

Case study 3: Iceland

In June 2017, Iceland passed amendments to the Act on the Equal Status and Equal Rights of Women and Men, mandating an Equal Pay Standard approach. The standard requires organizations with 25 or more employees to prove that female and male employees are paid equally (based on the Equal Pay Standard methodology) and obtain a certification. The start date of implementation of the Equal Pay Standard was determined by organization size. Companies with 250 or more employees were required to implement it from December 2018; 150–249 employees from December 2019; 90–149 employees from December 2020; and 25–89 employees from December 2021 (WGEA, 2019b). The Equal Pay Standard approach consists of a methodology, guidelines and recommendations for reporting, and it even includes policies ensuring equal pay for equal work and equal value (Standards Iceland, 2017). Reports usually include information about the following measures (Gender Pay Gap Service, 2019):

- The mean and median hourly pay gap
- The percentage of women in each pay quartile (four quartiles including from the lowest paid to the highest paid employees)
- The mean and median bonus pay gap
- Actions to close the pay gap (if needed)

30 A sample of the gender pay gap reporting can be obtained from the British company Unilever at https://www.unilever.co.uk/Images/unilever-gender-pay-report-2019_tcm1252-550140_1_en.pdf.

When organizations manage to meet the requirements of the Equal Pay Standard, they receive a certification that is valid for the following three years (Icelandic Women's Rights Association, 2018). The certification is provided by qualified consultancy companies that have an obligation to provide information about the organizations – both certified and non-certified – to the Centre for Gender Equality (Ólafsson, 2017). The Centre can charge a discretionary fine to companies that are not able to obtain or renew certification before the deadline (Equileap, 2018).³¹

Case study 4: France

In 2019, France introduced new gender equality obligations for companies with more than 50 employees. These obligations included the reporting of an “equal pay index”, which comprises 4 to 5 indicators, depending on the size of the company. The company has to assign points to each of them up to a total of 100 points (WGEA, 2019b), following a methodology specified in Decree No. 2019-15.³² The decree contains detailed information about indicators, corresponding scorings and the methodology of calculating the weighted gender pay gap. The gender equality report includes the following indicators (Mercer, 2019; Lewis, de Pelet and Smith-Vidal, 2018):

- The pay gap between female and male employees calculated based on the gender-disaggregated data of an average remuneration³³ by age and equivalent job category
- The gender gap in the percentage of individual pay increase (not related to promotions)
- The gender gap in the percentage of promotions
- The share of female employees with a pay increase following their return from parental leave
- The number of female employees among the top 10 highest earners

The following table shows the distribution of points between indicators (Cummins, 2020):

		Frequency of reporting	Indicator value (for a sample company)	Points	Maximum number of points for each indicator	Maximum points for each calculable indicator
1	The salary difference between men and women with comparable ages and positions (per cent)	Yearly	4.1	35	40	40
2	Opportunity for pay rises (per cent)	Yearly	0.2	20	20	20
3	Opportunity for promotion (per cent)	Yearly	0.2	15	15	15
4	Raises following maternity leave (per cent)	Yearly	100	15	15	15
5	Number of women among the top 10 highest paid employees	Yearly	3	5	10	10
	Calculable Indicators			90		100
	Equal Pay Index (out of 100)			90		100

Source: Cummins, 2020.

31 A sample of the gender pay gap reporting can be obtained from the Icelandic company Iceland Foods Limited at <https://gender-pay-gap.service.gov.uk/Employer/kGu-VNcCv/2018>.

32 See: <https://www.legifrance.gouv.fr/loda/id/JORF-TEXT000037964765/>.

33 An average remuneration includes average earnings, performance bonuses and benefits in kind but does not include bonuses related to working conditions, severance or precariousness bonuses.

An organization is considered to comply with the minimum requirement if the overall score of the equal pay index exceeds 75 points. If the score is below this threshold, companies have three years to close the gap before facing financial penalties (1 per cent of the organization's payroll). Companies have an obligation to allocate a budget to close the gender pay gap.

Reporting requirements were introduced gradually, with timing depending on the size of the companies. Companies with more than 1,000 employees had a deadline to implement the gender pay index – and publish their score for 2018 – until March 2019; companies with more than 250 and fewer than 1,000 employees had the same reporting obligations by September 2019; and companies with more than 50 and fewer than 250 employees were required to prepare a report – and publish their score for 2019 – by March 2020 (Equileap, 2018; WGEA, 2019b).³⁴

Case study 5: Austria and Belgium

In 2011, Austria introduced an Equal Treatment Act requiring organizations with 150 or more employees to submit every two years a report presenting income data disaggregated by gender. The income report must include information about the gender pay gap by occupational group, average or median income by gender, and total remunerations – including benefits in kind and calculating a full-time equivalent for part-time employment. The report is available to the organization's work council or (if there is no council) to all of the employees. Employees and work councils have an opportunity to use the income report to negotiate with the employers or to refer them to the courts (Equileap, 2018; WGEA, 2019b).

In 2012, Belgium introduced a law requiring all organizations to prepare annual internal audits, including information about the difference in salaries between female and male employees (annual audits are published on the National Bank's website), and organizations with more than 50 employees must also provide a gender pay analysis every two years (Van Hove, 2015; WGEA, 2019b). If the analysis shows that there is a gender difference in remuneration, organizations are obliged to provide an action plan for dealing with gender pay inequality. In the case of wage discrimination, women can approach a mediator (an employee of the organization), who will try to find a compromise with the employer (European Union, 2014). If these procedures are not undertaken by the organization, the legislation calls for and defines criminal and civil sanctions (criminal and administrative penalties in the case of discrimination) (Equileap, 2018).

34 A sample of the gender pay gap reporting can be obtained from the French company Thermo Fisher Scientific Inc. at <https://www.thermofisher.com/content/dam/LifeTech/global/CSR/Gender%20Pay%20Gap%20Report%202018%20-%20France.pdf>.

2.5 The equal pay review process in the national context

According to the recent amendments to the Labour Code of Georgia, the Law of Georgia on Gender Equality and the Law of Georgia on the Elimination of All Forms of Discrimination, Georgia is undertaking the obligation to ensure equal pay for female and male employees for equal work and to eliminate gender discrimination in the workplace. These requirements apply both to public and private organizations. However, enforcement of these legislative acts remains a challenge for policymakers.

Currently, Georgia does not have any reporting requirements for private organizations about the salaries of their employees,³⁵ nor has it designed a reporting scheme for equal pay for equal work or assigned the task of collecting this type of information to any government body yet.

Although Geostat provides gender-disaggregated data about average wages by sector (based on a business survey), companies do not have any obligation to report information about employees' salaries (basic salary as well as bonuses and other types of remuneration) and characteristics (such as experience, job position, education level, managerial responsibilities, etc.) that are required to explain what is behind the gender pay gap at the enterprise level (to detect whether there is a case of gender discrimination).

2.5.1 Existing anti-discrimination bodies

Two main bodies are currently dealing with discrimination issues and could play a greater role in the implementation of the EPRR system:

- The Public Defender of Georgia
- The Labour Inspection Office (from here on defined as the Labour Inspectorate)

35 Currently, companies must include detailed information about salaries just in labour contracts. The Public Defender considers discrimination cases based on individual complaints. When the courts consider individual cases,

Public Defender of Georgia

The Public Defender of Georgia is one of the bodies responsible for monitoring discrimination and promoting its elimination, to ensure equality. However, despite its valuable experience in dealing with different forms of discrimination, the office does not have specific instruments to directly address unequal pay for equal work.

The Public Defender's Office mostly collects general (aggregate-level) information about developments of the pay gap over time, prepares a chapter in the parliamentary report (under the headline "Women's Economic Empowerment") describing these trends and provides general recommendations. The office has no capacity, experience or authorization to collect and analyse micro-level data, even if such data were available.

Given that Geostat and different ministries are not able to provide this information either, **policymakers must draw conclusions and provide recommendations about gender inequality in remuneration without a proper analysis** of the gender pay gap or a proper assessment of the prevalence of violations to the equal pay for equal work principle.

The Gender Equality Department of the Public Defender's Office has the right to review individual cases of gender pay discrimination based on workers' complaints. However, when interviewed, representatives of the Public Defender's Office could recall only a single case in which employees complained about the act of potential discrimination. The existence of discrimination was not confirmed by Public Defender's Office. **The reason behind the low number of appeals to the court or the Ombudsman – according to the Public Defender's Office – is the lack of transparency of remunerations within companies.** Employees

they look at individual contracts. The new regulation of reporting working hours requires companies to collect and store information only about working hours.

usually do not have information about the salaries of their colleagues. **Some large companies even include the obligation not to disclose their remunerations in employees' contracts.** Moreover, proving gender discrimination in the workplace needs a lot of investigation and access to quite detailed micro-level data (even studying individual contracts). **The reluctance of many Georgian companies to provide information about their employees' remunerations was confirmed during our test of the equal pay tool.** One of the main reasons companies mentioned when refusing to test the tool was their unwillingness to disclose salary data, particularly for the individuals at the higher levels of the organizational structure.

The representatives of the Public Defender's Office, however, believe that adding explicitly provisions about equal pay for equal work to the Labour Code of Georgia or providing clarification to the courts about pay discrimination can potentially increase the number of complaints. This is what happened when other specific records, such as those about sexual harassment, were added to the Labour Code of Georgia (the individual cases of sexual harassment were considered by the Ombudsman even before this change, but the number of complaints were quite low until the Labour Code change).³⁶ **Furthermore, the Ombudsman recognizes the importance of gender pay reporting and strongly supports the idea of providing detailed guidelines/instructions to help companies properly prepare gender pay reports,** as well-prepared instructions are expected to help companies adapt to the new regulation quickly and without major complications.

Despite the vast experience and current involvement of the Public Defender's Office in determining different forms of discrimination in the workplace, stakeholder consultations³⁷ revealed that the

Labour Inspectorate is being considered as the responsible government body for implementing the gender pay reporting scheme and collecting and analysing gender-disaggregated information about employees' remuneration and their characteristics.

Due to the experience and the role played by the Public Defender's Office in fighting discrimination, and to avoid confusion and attribution conflicts in the first stages following the introduction of this regulation, it is desirable that the mandates of the Public Defender's Office and the Labour Inspectorate be separated and well-defined.

Labour Inspectorate

The Labour Inspectorate was established in 2015 and is mostly responsible for ensuring the effective application of the Labour Legislation (including safety standards).³⁸ The Labour Inspectorate has the following mechanisms to achieve this goal:

- Provide information and/or consultations related to labour provisions (upon the request of organizations)
- Conduct awareness-raising campaigns and provide information to society at large to increase compliance with the Labour Legislation
- Receive and resolve complaints related to violations of the Labour Legislation
- Conduct planned and spontaneous labour inspections
- Develop recommendations for improving the Labour Legislation and its enforcement

During the period 2015-2018, the Labour Inspectorate was in a transition period. It started as a department of the Ministry of Internally Displaced Persons from

36 The amendments to the Labour Code of Georgia (registration code: 270000000.04.001.017918) are available at <https://matsne.gov.ge/ka/document/view/4548377?publication=0>.

37 Consultations took place with the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia, the Public Defenders'

Office, the Labour Inspectorate and a working group of stakeholders.

38 More detailed information can be obtained from the Law of Georgia on Labour Inspection, available at <https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/110472/137421/F-1715825391/GEO110472%20Eng.pdf>.

the Occupied Territories, Labour, Health and Social Affairs of Georgia and built its capacity by hiring and educating/training new employees, progressing to become a major monitoring body of the Labour Legislation. In March 2018, Georgia adopted the Law of Georgia on Occupational Safety, and the Labour Inspectorate was granted the authority to control the compliance to the occupational safety norms in the workplace. From 1 September 2019 onward, the Law of Georgia on Occupational Safety was extended to all economic activities; as a result, the mandate of the Labour Inspectorate increased notably. In 2015, the Labour Inspectorate conducted 142 inspections, of which 118 were under the state programme of voluntary/recommendatory inspection, while the remaining 24 were devoted to preventing forced labour and labour exploitation. These numbers increased to 1,541 in 2019. Of these, 150 were still associated with the state programme of voluntary/recommendatory inspection, while 127 were to prevent forced labour and labour exploitation. The remaining 1,264 inspections were the result of the increased authority and capacity of the Labour Inspectorate, associated with the adoption of the Law of Georgia on Occupational Safety (this type of labour inspection was not performed in 2015).³⁹ **Currently, the Labour Inspectorate employs 62 workers and plans to achieve a maximum capacity of 160 employees in the near future. The representatives of the Labour Inspectorate admit that these numbers are not sufficient to protect each employee's rights (on the Inspectorate's initiative), but the Inspectorate is determined to raise the awareness of employees about their rights and protect their fundamental rights upon their request.**

The personnel of the Labour Inspectorate have limited experience in collecting and analysing organizational-level gender-disaggregated data, as well as in determining wage discrimination in the workplace. According to the representatives of the Labour Inspectorate, historically there has been only one instance in which, during the planned

inspection, the labour inspectors found a significant wage gap between female and male consultants working in the same position, and the organization was asked to provide a formal explanation of the reasons behind the pay gap. The main argument of the employer was that the male worker had two more years of experience in this field than the female worker, but the company still did not provide any documentation proving the previous experience of the man.

According to the Labour Inspectorate representatives, **the main reason behind the low number of wage discrimination cases is the fact that the norm about equal pay for equal work is not properly specified and that there are no explicit criteria defining equal work; as a result, employers do not fully understand what falls under the phrase "equal pay for equal work"**. The Public Defender's Office made a similar point.

Currently, the Labour Inspectorate only has a recommendation mandate on complaints about wage discrimination and cannot impose further sanctions (e.g. fines) on organizations that are non-compliant with the equal pay for equal work standard. Furthermore, even during planned inspections, when there is a suspicion about gender discrimination in remuneration, the Labour Inspectorate has difficulties in detecting a potential victim, and, even if a victim is identified, it is quite difficult to claim for direct and/or indirect discrimination. The Labour Inspectorate supports the idea of introducing an instrument for equal pay reporting (through a reporting scheme and documented guidelines) and even **considers this regulation as one of the top priorities in the agenda of the office, as equal pay for equal work is an important principle and is always reflected in their recommendations to private organizations.** Finally, discussions with representatives of the Labour Inspectorate have revealed that, **in addition to being able to sanction unequal pay (if it emerged), the Labour Inspectorate will need to**

39 More detailed information can be obtained from the following sources: <https://www.moh.gov.ge/news/5317/> and <https://netgazeti.ge/news/512995/>.

be authorized to sanction the failure to provide the information necessary to calculate it (as it does not have this authority currently).

The Labour Inspectorate has already started requiring from private organizations information about working hours (hence, the office has experience in preparing a tool for private companies to provide tables for working hours).

Social partners were involved in the development process of this tool – labour unions, employers' associations, etc. Based on their recommendations, the Labour Inspectorate made some adjustments. For example, after stakeholder consultations, it was agreed that employers must make employees aware of their reported working time (employees have an opportunity to record their working time and claim compensation for overtime work), and, while there is no obligation of confirmation by employees, this information allows them to question the company about the number of hours reported, in case it does not match their own records. Furthermore, **representatives of the Labour Inspectorate have also described some challenges related to reporting the working time (which might be useful for designing a gender pay reporting scheme):**

- Employers had problems with understanding for which employees they have a reporting obligation, as well as which employees are exempt from it. The Labour Inspectorate, on the other hand, cannot produce a list defining each possible profession/position that might be considered an exception. In each specific problematic case, following a request by the employer, the Labour Inspectorate clarifies whether the case is subject to an exception or not. For example, employees sometimes have difficulties recording their working time, such as when their job is needed only for special occasions (e.g. IT specialists and plumbers are needed only when there are some technical problems), when they work for more than one company in parallel (e.g. accountants,

lawyers, etc.) and when they have difficulties differentiating the time devoted to each employer. The Labour Inspectorate provided additional explanations for similar instances. This problem might also be relevant for gender pay reporting in cases where companies rely on workers' statements to reconstruct the full-time equivalent salary of part-time workers.

- Employers sometimes work remotely (this was quite common during the COVID-19 pandemic and post-pandemic period). This makes it difficult to track working time. The Labour Inspectorate recommends relying on an accountability principle – employees report their working time themselves (self-reported working time can be determined based on the outcome of the work (e.g. the number of prepared reports, the number of served clients for online consultants, etc.) or remuneration).
- Some private organizations perceived the proposed form as an imperative document, but then the Labour Inspectorate explained to them that companies would be allowed to prepare and employ their own format (and even create an electronic platform for it).

Georgia has experience in introducing reporting (and auditing) requirements for most private organizations. Since 2018, private companies must report their financial statements, consolidating financial statements and audit reports, to the Service for Accounting, Reporting and Auditing Supervision (SARAS), a subdivision of the Ministry of Finance of Georgia. SARAS provided special guidelines (e.g. via handbooks, including different handbooks for the four categories of enterprises) for employers to prepare these documents, proposed relevant trainings and created a web portal to store reports/databases (to ensure the transparency of these documents/databases for interested parties).⁴⁰ The Labour Inspectorate could benefit from SARAS sharing its experience in implementing a complex reporting scheme for most of the companies operating in the country.

40 More detailed information can be found at <https://www.saras.gov.ge/en/Home/ReportSupervision#tab-otxks-3>.

2.5.2 Available EPRR options in the Georgian context

While designing the EPRR system for Georgia, it is quite important to take into consideration Georgia's national context and capacity of the responsible government bodies (and their expertise). **Based on the national and international experience, we can identify several possible ways to structure and operationalize the EPRR scheme:**

1. All organizations will be obliged to fill in the equal pay tool (Excel file) with the relevant micro-level information and to provide periodically the micro-level raw data to the relevant government body (e.g. the Labour Inspectorate), which will compile these databases and provide an aggregated-level gender pay report, highlighting and pursuing potential violations, as well as store these databases to use them as evidence in individual court cases (should workers complain). Given the current and expected future capacity of the possible candidates for this role, it is unrealistic to expect them to be able to develop and study the case of each company every year, let alone pursue all potential violations.
2. All organizations will be obliged to periodically fill in the equal pay tool (Excel file) with the relevant micro-level information, prepare a gender pay gap report (with aggregated data about the remuneration of female and male employees and gender decomposition of remuneration by working categories) based on this information, and make it publicly available (using their own website or the website/Facebook page of the government body). Then, the relevant government body (e.g. the Labour Inspectorate) will review these reports and react if there is a notable difference in pay across gender, for equal work, or if an employee signals a case of potential discrimination. Actions might range from further investigation to even sanctions if discrimination is identified. This option presents three main weaknesses:
 - a. It requires a greater effort from companies, which might lead to an increase in errors and sanctions. This might be particularly challenging for small enterprises, whose internal information system and possibly human capital might be less developed.
 - b. It might allow companies to manipulate their own data to avoid investigations, should the analysis reveal potential issues of unequal pay.
 - c. Also, in this case, given the current and expected future capacity of the possible candidates for this role, it is unrealistic to expect them to be able to review the case of each company every year, let alone pursue all potential violations.
3. All organizations will be obliged to periodically fill in the equal pay tool (Excel file) with the relevant micro-level information, store these databases themselves (for a predetermined period of time) and provide this information to the Labour Inspectorate during labour inspections⁴¹ (only for the organizations that are chosen for an inspection). Then, the Labour Inspectorate will study the case, produce a report and react in cases of non-compliance with the equal pay for equal work standard. The Labour Inspectorate might also act upon the request of employees who signal possible cases of discrimination. This option appears to be the most feasible of the three, as it reduces both the burden and the opportunity of manipulation on the company's side and is compatible with the current practices and expected future capacity of the potential supervisors.

These approaches were discussed, validated and supported by the interviews with the representatives of the Labour Inspectorate. The Labour Inspectorate – so far, the most likely candidate for the supervisory role – does not have enough capacity to store collected data, nor does it have enough qualified employees in the office to check/ensure the quality of data and perform the required analysis.

41 The Public Defender's Office does not perform inspections but acts only when an employee signals a potential

case of discrimination, and it currently has less extensive powers than the Labour Inspectorate.

Consequently, the most appropriate mechanism in the Georgian context appears to be the third reporting scheme, which is similar to the scheme currently employed for the requirement of reporting working hours. However, based on the current legislative setting, the Labour Inspectorate has limited power to impose sanctions for non-compliance with a standard (the Public Defender's Office has none), but if an inspector proves that the standard of equal pay for equal work is violated, it will be relatively less complex to introduce a warning and/or a fine to the organization. **According to the representative of the Labour Inspectorate, the optimal frequency of reporting is every 6 to 12 months.**

Based on the experience of the other reporting requirements (e.g. reporting working time), the representative of the Labour Inspectorate suggested that it would be necessary to make gender pay reporting mandatory. Otherwise, the Labour Inspectorate representative believes that only a fraction of private organizations would comply

with the recommendation of implementing the EPRR system in the near future, although the number of companies voluntarily implementing the EPRR scheme might increase in the long term.

Representatives of the Public Defender's Office, on the other hand, suggested that there is an ongoing, significant change in private companies' attitude towards disclosing information to the Ombudsman. They used to frequently ask to provide a relevant legislative norm, according to which they were obliged to disclose the information and did not provide it until they got a reference to an appropriate norm from the Ombudsman. **As their awareness increased, the reluctance of both large and small/medium companies to share information decreased.** Nevertheless, according to the Ombudsman's representative, **there still might be some issues related to the sharing of personal data; as such, the implementation of the EPRR system would likely benefit from a court clarification and/or the development of a more specific, additional regulation regarding confidentiality.**⁴²

42 While, based on the design of the EPRR tool proposed within this GIA, confidentiality is not expected to be a problem at the data-collection stage, it will constitute a

more considerable challenge during the process of analysing individual cases of gender discrimination.

The image features a split background of blue (top) and green (bottom). Large, semi-transparent circles in matching colors overlap across the boundary. The text 'CHECKING GENDER RELEVANCE' is centered in the blue section, underlined.

CHECKING GENDER RELEVANCE

The establishment of the EPRR tool is expected to contribute directly and significantly to the pursuit of gender equality. Primarily, this tool helps **detect potential cases of discrimination**. Here, one should note that – while the difference in pay does not necessarily mean direct discrimination on the basis of gender – the tool and its design allows for highlighting the cases where pay discrimination is more likely to be present and indicates that further analyses are required to claim for (or reject the claim of) pay discrimination.

This tool will **support government institutions in promoting and protecting the right to equal pay for equal work**. As the Labour Inspectorate is responsible for ensuring the application of the principle of equal remuneration for equal work, the tool will be particularly useful for them. The EPRR tool will help the Inspectorate conduct equal pay analyses and will highlight instances in which further investigations are necessary, supporting a more effective enforcement of the equal pay for equal work principle.

Companies will also benefit from the possibility of utilizing the EPRR tool to perform equal pay analyses, as it will provide them with the opportunity to self-assess and detect unequal pay instances. The tool will help employers become aware of any systematic differences between the pay of men and women within their organization. Employers will be able to detect what causes these differences and to design and implement actions to tackle any workplace inequality identified (rethinking benefits, bonuses, overtime, etc.). By means of the EPRR tool, companies will have the opportunity to

address critical issues in a timely manner, reducing the risk of sanctions and getting closer to the fulfilment of EU standards in terms of gender equality, thereby enhancing their corporate reputation.

As for the employees, by means of the EPRR tool, it will become possible to **raise their awareness level regarding their working rights, as it will broaden their knowledge and understanding of the equal pay principle**. Since the remuneration process will be more transparent, employees will have more opportunities and information to detect whether they are getting an unequal salary for equal work. Increased transparency will be reflected in increased employee confidence when discussing and negotiating for their remuneration. In addition, if they decide to appeal to the Labour Inspectorate, their burden of proof will decrease because the EPRR tool could be used as evidence to support their claims as victims of discrimination. As a result, employees will be able to take advantage of a more transparent system to protect their working rights and ensure that the equal pay principle is met.

The content, scope and implications of the equal pay principle must be widely understood if equal pay objectives are to be achieved. This helps ensure that not only are the appropriate laws and policies put in place but also that they are properly implemented. Promoting and ensuring equal pay is a continuing process. That is why the measures taken to achieve equal pay should be reviewed regularly to assess whether they are still appropriate and effective. The data collected thanks to the introduction of the EPRR tool will provide a substantial contribution in this direction.

IMPACT ASSESSMENT

As previously mentioned, the conducted GIA of the EPRR methodology revolves around the creation and the testing of an EPRR tool. The results of the test, together with the findings of our stakeholder consultations, have informed both our assessment of the tool, design of the custom-made tool for Georgia and estimate of the costs – for companies and the public budget – associated with the introduction of an EPRR system.

4.1 The tool

4.1.1 Tool choice and adjustment

After a careful review of three tools to calculate gender pay inequality (the Swiss Logib, the German Logib-D and the DER tool developed by UN Women), the GIA team decided to utilize a modified version of the DER tool adapted to the Georgian context and including some variables from the Swiss tool. The main aspects of the instrument remained unchanged. For example, the methodology of the calculation of the gender pay gap for equal work remained the same; therefore, the graphical representation of the results also remained unchanged. The two new variables that were introduced in the model were “Managerial Responsibility” and “Skill Level Required”. These two variables were found in the Swiss model, and they replaced the “Job Code” and “Level” variables that are part of the original UN Women model. The change was considered necessary as it is highly unlikely that Georgian firms have a formal list of job codes for their employees. The variables of “Managerial Responsibility” and “Skill Level Required” can serve as proxies for formal job codes and allow for easier

comparability of job requirements/characteristics. Including the two additional variables from Logib was possible because the UN Women tool itself is very flexible to use. Its flexibility and simplicity were the two main reasons for choosing it.

4.1.2 Tool structure

When constructing the Excel tool, the GIA team had two primary objectives: (1) to make it as user-friendly as possible; and (2) to minimize the number of input mistakes (e.g. typos, invalid values, etc.) by the companies. For most of the variables, the input options were limited, so the personnel responsible for filling in the Excel file could input but one option of the selected range of values. For example, for the variable “Sex”, the companies can either input M (for men) or W (for women). For any other input, the Excel file would send an error message. For other variables, the set of possible inputs was limited to integers. For example, in the “Children” field, one could input only the integers from 0 to 20, with letters or other numbers immediately resulting in an error message. Moreover, the companies were able to see the set of admissible values. Therefore, while it became impossible for the companies to type inadmissible values, the Excel file became more user-friendly (as admissible values were clearly defined). In addition, to make sure everything would be clear, a Microsoft Word file with detailed information was also sent to the companies.

The variables included in the Excel file could roughly be divided into two groups: those on employees’ personal characteristics and those on job information.

Table 1:
The included variables

Personal Characteristics	Job Information
<ul style="list-style-type: none"> Sex Birth Year Ethnicity/Race Children Education 	<ul style="list-style-type: none"> Hire Year Date Accepted on Current Position Contract Type % of Working Time Area Location Position Managerial Responsibility Skill Level Required Fixed Salary Additional Salary Variable Salary

Not all variables were required for the Excel file to compute the gender pay inequality for equal work. Only eight variables are essential: Sex, Percentage of Working Time, Job, Managerial Responsibility, Skill Level Required, Fixed Salary, Variable Salary and Additional Salary. The other variables can be useful for a more detailed analysis but are not necessary for the tool to work, per se. The necessary variables are defined as follows:

- **Sex** – This variable is of the utmost importance, as all of the analysis conducted is based on the difference in outcomes for different genders.
- **% of Working Time** – Here, the employer should indicate the share of time an individual has worked of the full-time equivalent of the previous year (i.e. 12 months, five working days per week, eight working hours per day). For example, if a person has worked six months part-time (four hours of work per day), the person should indicate 25 per cent of the maximum working time. The information obtained from this variable enables the tool to normalize all of the employees' salaries and estimate the full-time salary equivalent for those who worked less than 100 per cent.
- **Job** – This variable shows the job title/position of an employee. As the primary goal is to identify and group the people performing equal work, it is necessary to have information about workers' job titles. The tool admits a maximum

of 40 different job names (if there are more, it is recommended to group similar jobs).

- **Managerial Responsibility** – This variable serves to categorize functions based on the degree of leadership responsibility. Managerial Responsibility takes integer values from 1 to 5. For employees with the highest level of responsibility (e.g. director or other individuals in top executive management positions), a value of 1 is assigned, while employees with no management function are assigned a value of 5.
- **Skill Level Required** – The skill level categorizes the functions by the complexity of the tasks performed. The skill level (qualification level) could be classified according to the job profile and functional specifications (tasks) and the skills profile (required skills). The skill level takes integer values from 1 to 4, where 1 corresponds to an activity with the most complex problem-solving/decision-making tasks, while 4 corresponds to an activity with the least complex tasks (simple manual or routine tasks). When the skill level is difficult to assess, companies can use the minimum required education level for the position as a proxy for the skill level variable. For example, a person working in a job whose expected minimum education requirement is a master's degree or above can be categorized in the top level, or as a value of 1, while people working in jobs having no minimum education requirement or a primary school education

requirement can be categorized as a value of 4.

- **Fixed Salary** – This is the salary that a person receives on a stable or fixed basis. That is, every month (or pay period) is the same amount. Fixed salary includes (1) basic (ordinary) salary,⁴³ (2) job supplements, (3) personal allowance,⁴⁴ (4) transport, (5) social/health insurance⁴⁵ and (6) retirement plans/funds.⁴⁶
- **Additional Salary** – This is the salary that a person receives on a temporary basis, associated with the performance of a longer period of work or as additional compensation for an expense

that he/she has had to incur. This amount varies from month (or pay period) to month. Additional salary includes (1) sales commissions,⁴⁷ (2) recurring salary bonuses,⁴⁸ (3) overtime⁴⁹ and (4) compensated holidays.⁵⁰

- **Variable Salary** – This is the salary that a person receives in recognition for their performance or the overall results of the company or organization. These amounts are normally paid at the end of the year or quarter. Variable salary includes (1) occasional salary bonuses⁵¹ and (2) profit sharing.⁵²

43 This is the minimum amount an employee can expect to receive from his/her salary, after tax and before any bonuses. Basic salary is not the same as gross salary – gross salary is the total of all of the money than an employee is being paid for doing his/her job.

44 According to the Tax Code of Georgia, if an individual's taxable employment income during the calendar year does not exceed GEL 6,000, he/she is entitled to deduct from this income a personal allowance of GEL 1,800.

45 Social/health insurance expenses made by a company are for co-financed or fully financed insurance packages.

46 An individual retirement account (IRA) and 401(k) plans are good examples of retirement plans/funds. Source: <https://www.investopedia.com/articles/retirement/08/best-plan.asp>.

47 "A sales commission is an additional compensation the employee receives for meeting and exceeding the minimum sales threshold. Employers pay employees a sales commission to incentivize the employees to produce more sales and to reward and recognize people who perform most productively". Source: <https://www.thebalancecareers.com/what-is-a-sales-commission-1917856>.

48 "Recurring bonus amounts means any portion(s) of a participant's compensation which is (i) not base salary, (ii) is payable in cash (excluding any equity-based compensation awards that are settled in cash). and (iii) is a recurring and/or predictable component of the participant's compensation for a calendar year such that the participant will know before the start of such calendar year that he is or may be eligible to receive such bonus if the criteria applicable to such bonus are satisfied (in full or in part). Recurring bonus amounts include (but are not limited to) a participant's annual bonus, sales incentive compensation plan bonuses (if applicable to a participant), and similar bonuses (if any) but does not include any long-term incentive award payments. The entire amount of any such recurring bonus amount will be taken into account in accordance with the terms of this plan without regard to any dollar limitation on applicable compensation that may be imposed under the Savings Plan". Source: <https://www.lawinsider.com/dictionary/recurring-bonus-amounts>.

49 According to the Labour Code of Georgia, "work shall be deemed overtime work when an employee works by agreement between the parties during the period exceeding 40 hours a week for adults, 36 hours a week for minors from 16 to 18 years of age, and 24 hours a week for minors from 14 to 16 years of age. Overtime work shall be compensated by the hour based on increased pay rate. The amount of the above compensation shall be determined by agreement between the parties". Source: <https://matsne.gov.ge/en/document/view/1155567?publication=16>.

50 Holidays are defined by the Labour Code of Georgia: 1 and 2 January, 7 January, 19 January, 3 March, 8 March, 9 April, Easter holidays (Good Friday, Good Saturday, Easter Sunday, Easter Monday), 9 May, 12 May, 26 May, 28 August, 14 October and 23 November. If an employee works during the holidays, it shall be deemed overtime work, and the terms for its compensation shall be determined by the corresponding article of the Labour Code.

51 Occasional bonuses are an additional amount of pay that an employee earns on top of his/her regular salary or hourly pay rate, based on the specific details that qualify employees to receive a bonus. For example, these can include an on-the-spot or spot bonus, which is a one-time bonus used to reward exceptional work in unique circumstances; a signing bonus, an extra amount earned as a reward for joining a company; a retention bonus, as a sign of appreciation for an employee choosing to stay with his/her company; and a referral system that rewards an employee if he/she brings in qualified applicants for an open position. Source: <https://www.indeed.com/career-advice/pay-salary/what-is-a-good-bonus-percentage>.

52 "Profit sharing is an incentivized compensation program that awards employees a percentage of the company's profits. The amount awarded is based on the company's earnings over a set period of time, usually once a year. Unlike employee bonuses, profit sharing is only applied when the company sees a profit". Source: <https://online.king.edu/news/how-does-profit-sharing-work/>.

After the data are filled in by the company, the instrument then groups the employees for whom all three variables – “Job”, “Managerial Responsibility” and “Skill Level Required” – have identical values. The tool then assumes that the set of people with these identical values consists of employees who are performing equal work, so the analysis should

continue within this narrow group. After this stage, the Excel instrument calculates the average salaries of different gender groups belonging to the set of people performing the same work. Then, the instrument uses the following formula to calculate the gender pay gap:

$$\frac{(average\ wage\ of\ males\ in\ the\ job) - (average\ wage\ of\ females\ in\ the\ job)}{average\ wage\ of\ males\ in\ the\ job}$$

The gaps that are estimated are only calculated **within the groups of people performing equal work**. The instrument also provides a graphical representation of the wage gaps among people performing the same jobs.

4.2 The objective of the exercise

The objective of our testing exercise was threefold:

1. Acquire insights about the challenges associated with the introduction of the EPRR tool
2. Assess the impact on the companies
3. Assess the impact on public administration

The testing was accompanied by consultations with the main stakeholders. All of the information collected during this exercise is discussed below.

4.2.1 Acquire insights about the challenges associated with the introduction of the EPRR tool

The test of the EPRR tool and stakeholder interviews generated several insights about the potential challenges that the introduction of the EPRR mechanism (and tool) might encounter.

1. The results obtained from the small-sized company that cooperated with us suggest that the instrument might impose an unnecessary burden on small companies. As the instrument groups people performing the same jobs and calculates the pay gap within the group, the more employees fall in the group, the more

meaningful is the analysis. In the case of the small company that partnered with us during this study, 27 employees were performing 16 different functions (i.e. different positions and/or different combinations of managerial responsibility and required skill level). Most groups ended up having fewer than three employees, not necessarily of different genders. As a consequence, only in a few groups was it possible to calculate the gender pay gap. Therefore, the instrument – despite compelling the small company’s personnel to work several hours on it – proved suitable to get a picture of the pay gap between men and women performing the same job only for five workers representing two different groups. Moreover, due to the very limited number of workers of the two genders in any given job, the results might prove to be difficult to interpret as “gender differences”. When the members of a job group are few, the presence of a single individual (regardless of his/her gender) with very particular characteristics can lead to a significantly distorted – and misleading – picture of the gender pay gap inside an organization.

2. The results obtained from the companies clearly show that they did not try to report additional and variable salaries separately. They included all types of salaries not belonging to fixed salary into the variable salary column. This did not have any consequence for the analysis. Due to the structure of the instrument, it does not matter in which column the company includes the salary that is “not fixed”, as the results page will not be affected (the sum of variable and

additional salaries is used while calculating the gap). However, it is important to note that such a way of reporting data might limit the possibility of conducting a more precise analysis of the reasons behind unequal pay for equal work.

3. Large companies stated that filling in the instrument was an additional burden for them, as the time spent doing so would not be compensated. They also seemed to be reluctant to reveal the salary data of the entire company but were willing to provide the data relative to one of the departments of the company (which, by itself, satisfied the criteria for a large company).
4. The large company that filled in the tool agreed to provide us with the data for one month only, as aggregating the results for 12 months would have been too big of a burden for them. This was not the case for the small company, which provided data spanning an entire year.
5. In the large company, we identified nine different groups of people performing equal work. Of them, three groups demonstrated a higher average wage for the males, four groups demonstrated a higher average wage for the females, and two were paying an equal salary to both genders. It is noteworthy that the higher the managerial responsibility and required skill level of a group of people performing the same work was, the more male-dominated the group was. The two top groups were dominated by males, while the bottom three by females.
6. During the interview with the representative of the Labour Inspectorate, the GIA team identified the capacity of this department to monitor companies, if they are asked to fill in the instrument. According to the representative, currently, they are planning to inspect 60 companies in 2021, but as more inspectors are

expected to be hired and trained, this number will increase in the coming years and may even reach 200 companies in 2023. As the team found out, of the companies that are planned to be inspected, most of them employ 50 or more people, thus falling into the category of medium or large companies. The representative of the Labour Inspectorate mentioned that, should the reform be implemented, they would be extending the scope of the inspection to cover equal pay for equal work.

7. During the data analysis process, the team realized that the “Managerial Responsibility” and “Skill Level Required” variables can be easily manipulated so that the instrument demonstrates that there is no unequal pay for equal work. For this reason, it might be worth considering sharing with companies just the data sheet of the Excel file, while the results can only be observed by the monitoring group, once they have to check for any inconsistencies. In this way, the probability of “cheating” will be reduced.

4.2.2 Assessing the impact on companies

According to the data obtained from Geostat, as of 1 December 2020, there are 609 large, 2,752 medium and 146,802 small-sized enterprises in Georgia.⁵³ If the instrument is introduced, the companies – after studying how to fill it in – will have to enter all of the information corresponding to the above-mentioned variables. The simulation exercise that the team designed was supposed to allow for the gathering of information about the expected compliance costs incurred by companies of three different groups, defined by size (according to Geostat classifications⁵⁴): small, medium and large. This exercise aimed to assess the additional burden that companies will face if the instrument is implemented.

53 There are 43,215 companies with an unknown size in Georgia. We excluded them from our analysis.

54 The size categories of companies were defined – in line with the classifications used by Geostat – as follows:

- Small-sized companies: those companies that do not have more than 50 employees and have an average yearly turnover not exceeding GEL 12 million.

- Medium-sized companies: those companies that employ 51-249 people or have an average yearly turnover between GEL 12 million and GEL 60 million.
- Large-sized companies: those companies employing more than 249 people or having an average yearly turnover of more than GEL 60 million.

The team coordinated the outreach efforts with the representative of the Georgian Employers' Association, who contacted companies and invited them to participate. Initially, we requested six contacts (two per category) to help us keep the identity of the cooperating company anonymous (nobody outside of the team would be able to know for sure which company had been selected) and allow us to choose the most suitable partner. Unfortunately, as mentioned above, despite several attempts, no medium-sized company from the first group agreed to cooperate with us and to test the tool. A second attempt, with the additional support of UN Women, reached out to five medium-sized companies. All refused. The reasons for these refusals, and what this tells us about the potential challenges to the implementation of an EPRR scheme and the introduction of the EPRR tool, are discussed in section 5.1.

The two companies (small and large) assisting us during the process filled in the Excel file in two very different manners.

The **small company filled in all of the variables** except those on managerial responsibility, the skill level required and the three salary variables and then finished the second part. According to them, the workload for these two stages is roughly the same – **3.5 hours for the first stage and 3 hours for the second stage**. Before they started working on the EPRR tool, the GIA team had **a 45-minute-long meeting** with them to explain important details. After the company returned the finished document, the GIA team discussed the obtained results for about an hour and, to clarify several questions, **held a 15-minute phone interview with the representative of the company**. In total, the time cost for the company was 7.5 hours (45 minutes for the introductory interview + 6.5 hours of working on the document + 15 minutes for the final phone interview), while the GIA team spent 2 hours on communication (45 minutes for the introductory

interview + 1 hour of discussion + 15 minutes for the final phone interview).

The **large company did not fill in the instrument at all. They just filled in their own Excel file (all of the variables were included) and sent the raw data that then was processed by the GIA team. In addition, the large company agreed to provide just one month of salary data, arguing that producing yearly data would require collecting data from 12 separate files, with a proportional increase in collection time.** The large company first filled in everything except salary information, which they then added during the second stage. According to the large company, they already had the information that we requested in their databases, so it was not difficult for them to fill in the file. They struggled on the "Sex" and "Education" variables, though, as they do not include these in their databases and needed additional work to match employees' identification numbers with their sex and education data. **The first stage took them 3.5 hours to finalize, while the second stage (filling in the salary information) took them about 0.5 hours.** As in the case of a mandatory tool with yearly data required from the companies, **the total cost of filling in the salary information should be multiplied by 12, so it will take around 6 hours to aggregate the annual salary paid to the employees.** As with the small company, **a 45-minute-long meeting was held before the document was sent to the company, and it took about 1.5 hours for the GIA team to clean the data and discuss the results obtained.** The team then sent an email with detailed questions to the large company, and they responded almost immediately. **The total time cost of filling in the information for the large company, therefore, was 10.5 hours** (45 minutes for the introductory meeting + 9.5 hours of work on the actual instrument + 15 minutes of feedback). It took 2.25 hours for the GIA team to work with the large company (45 minutes for the introductory presentation⁵⁵ + 1.5 hours for the final discussion and data cleaning).

55 Later in the text, we assume that, instead of a meeting with public administration representatives – complicated by the large number of companies – companies will be instructed about how to fill in the instrument through a

30-minute video. The estimated amount of time required to understand the instructions will be assumed to remain 45 minutes.

These examples show how different the companies themselves and their approach to this Excel instrument can be. Companies with their own large database will not spend much time on this instrument, while companies that lack a unified database (similar to our small company) will. Unfortunately, we could not obtain information about a medium-sized company. The fact that medium-sized companies have fewer employees than large companies would make it easier for them to fill in the data; however, keeping in mind the fact that large companies usually have more sophisticated databases, we can assume that the time spent on filling in the instrument would be roughly the same.

The following section presents the potential costs incurred by companies in two different cases:

- In case the whole document must be filled in (Cost Structure 1)
- In case only necessary variables must be reported (Cost Structure 2)

Although later we will be assuming that the introductory meeting to discuss the instrument is substituted by an informational video, we consider that the amount of time spent by companies will remain the same.

Cost Structure 1 (the whole document is mandatory to fill in): If the instrument is mandatory only for the medium and large companies while small

companies are excluded (as suggested above),⁵⁶ a total of 3,361 companies would be required to fill in the instrument.⁵⁷ Of the companies that fill in the instrument, only a small part would be inspected, so we can assume that most of the companies will not hold a 15-minute final interview; therefore, their time burden of working on the instrument will be reduced to 10.25 hours per company. According to the representative of the Labour Inspectorate, there are 60 planned inspections of working rights to be performed in 2021, and the expected number for the following years is increasing. It is currently expected that, in 2023, a total of 200 companies will be checked. Those companies that are inspected might face around a one-hour cost in communicating their results to the Labour Inspectorate. We assume that the number of companies inspected per year will be 60, 130 and 200 (in 2021, 2022 and 2023, respectively). According to the current distribution of the companies, we claim that in this time span, a total of 78 large-sized and 312 medium-sized companies will be checked, and they will face a one-hour additional cost compared to other companies. If the total instrument is implemented, this will result in 34,450 hours of work for the companies, plus 390 hours of cost to those that are being checked. According to the business sector report provided by Geostat, the average monthly salaries of large and medium-sized companies' employees are GEL 1,303.30 and GEL 1,416.80, respectively.⁵⁸ Therefore, the total monetized cost of the whole process for the firms is as follows:

$$3 \times \frac{10.25 \times 609}{8 \times 22} \times 1303.3 + 3 \times \frac{10.25 \times 2752}{8 \times 22} \times 1416.8 + \frac{78 \times 1303.3}{8 \times 22} + \frac{312 \times 1416.8}{8 \times 22}$$

*= GEL 822,986.10 over three years,
corresponding to an average of GEL 274,328.70 per year*

56 A new government decree is expected to give updated guidelines about how to select companies for planned visits. From the past, we know that almost all companies subject to planned inspections had more than 45 employees.

57 According to Geostat data, business register.

58 The report is available at <https://www.geostat.ge/media/35015/Krebuli-2020.pdf>.

Cost Structure 2 (only the required variables are mandatory to fill in): According to the feedback interview with the large company, filling in the data except for the salary data was time-consuming, especially two variables – “Sex” and “Education”. As the sex variable is included in the mandatory variables and education is not, we can estimate that

the time spent on filling in the data (except for the salary data) will be halved if only the mandatory variables are included. The time cost will be reduced from 10.5 hours per company to 8.5 hours (a 1.75-hour reduction due to less required information). The total monetary cost associated with this option is as follows:

$$3 \times \frac{8.5 \times 609}{8 \times 22} \times 1303.3 + 3 \times \frac{8.5 \times 2752}{8 \times 22} \times 1416.8 + \frac{78 \times 1303.3}{8 \times 22} + \frac{312 \times 1416.8}{8 \times 22}$$

= GEL 683,003.70 over three years,
corresponding to an average of GEL 227,667.90 per year

This amounts to a GEL 46,660.80 reduction in yearly costs, compared to the first cost structure. If we consider a three-year time horizon, then the total reduction will amount to GEL 139,982.40.

In our analysis, we did not consider additional costs to companies, such as the sanctions that they might be required to pay in cases of violations to the EPRR regulation and/or if they are found responsible for paying men and women unequally despite performing equal work.

4.2.3 Assessing the impact on public administration

The costs incurred by public administration will depend on the approach chosen. Based on our analysis of the national context, international best practices and stakeholder interviews, we opted for the third approach suggested in section 2.5.2, in which the Labour Inspectorate checks just a subsample of companies (medium and large-sized, for reasons discussed above) and produces an equal pay for equal work report. Given the impracticality of meeting companies individually to discuss the instrument, and to reduce the burden on the Labour Inspectorate, we assume that a video with instructions would be realized and uploaded to a designated website so that no face-to-face introductory meeting

is required. This would reduce the time costs for the Labour Inspectorate, but a new type of cost would emerge – the cost of producing the 20–30-minute-long video. The release of the video could be accompanied by the creation of a Q&A section to the benefit of companies. According to our estimates, a 30-minute-long video with a narrator’s voice included would cost the public sector around GEL 6,500.⁵⁹

In this case, public monitoring would entail undertaking the same process steps as the GIA team did in the implementation of this tool, with two exceptions: instead of the introductory meeting, the Labour Inspectorate would prepare a video; and for each company inspected, a report would need to be prepared. Supposing the Labour Inspectorate monitors the process in the same fashion as the GIA team did, excluding the 45 minutes spent for the introductory meeting, they would spend around 1.25 hours per company of large or medium size. The Labour Inspectorate conducts two types of checks in Georgia: inspection of working rights and inspection of working conditions. Almost every company that is currently being checked in the planned project has more than 50 employees, so they all fall into the category of medium or large companies. As previously mentioned, for the purpose of the exercise – and in line with what has been suggested by the Labour Inspectorate – we assume that 60, 130 and 200 companies will be checked in

59 The quote upon which we based this estimate was for approximately USD 2,000.

2021, 2022 and 2023, respectively. According to the estimates of time cost, and assuming that writing the summary report will take at least 2.5 additional hours, a total of 225 hours will be required to check 60 companies, while checking 130 and 200 companies (our expectation for the years 2022 and 2023) will require 487.5 and 750 hours, respectively. The expected total number of hours over three years, therefore, is 1,463 hours. As the average wage of a person working in the public sector is GEL 1,106 per month,⁶⁰ the total expected cost for the public sector can be estimated as follows:

$$\frac{(225 + 487.5 + 750)}{22 \times 8} \times 1106 + 6500 = \text{GEL } 15,690.50$$

or an average of GEL 5,230.20 per year

The overall impression is that the costs for the public sector are quite low, while the companies – overall – are facing more significant time costs. Adding the highest estimated yearly costs for companies and the Government, the estimated total yearly cost of the initiative is GEL 279,558.90. On the positive side, companies utilizing the EPRR tool and addressing the equal pay issues highlighted by it might be saving potential costs associated with future anti-discrimination cases and would be preventing dissatisfaction among their employees (with possible benefits in terms of higher productivity and lower turnover). Expected benefits for companies are not quantified in this research study due to the lack of necessary information.

4.2.4 Additional implementation costs with small enterprises

It is important to note that the costs would be significantly higher if the requirement was extended to small enterprises. As of 1 December 2020, there are 146,802 small companies registered in Georgia. According to our analysis, small companies need 7.5 hours of work to fill in the entire document and around 4.5 hours to fill in only the necessary

variables' part. However, as small companies are not being checked by the Labour Inspectorate, we can exclude the 15-minute final phone interview, so the per company cost will be 7.25 hours and 4.25 hours, respectively. The average monthly salary of an employee of a small company is GEL 893.50. Therefore, the **additional cost** of including small companies in this project would be as follows:

Cost Structure 1 (all of the variables are included):

$$\frac{7.25 \times 146802}{22 \times 8} \times 893.5 = \text{GEL } 5,403,210.30 \text{ yearly,}$$

corresponding to GEL 16,209,630.80 over three years

Cost Structure 2 (only the necessary variables are included):

$$\frac{4.25 \times 146802}{22 \times 8} \times 893.5 = \text{GEL } 3,167,399.10 \text{ yearly,}$$

corresponding to GEL 9,502,197.40 over three years

As one can see, the additional cost compared to the initial suggestion that only large and medium-sized companies should be included is substantial, due to the large number of small enterprises in the country. The total cost to companies would increase almost 15 times, while the number of employees covered would not even double.⁶¹ In addition, extending the mandatory requirement to small enterprises would cause quite significant deviations from the planned expansion of the Labour Inspectorate (they are planning to expand their mandate but along the lines followed so far, i.e. focusing on companies with more than 50 employees). As a consequence, the overall increase in cost to society would be substantial. On the other hand, the information gained – as explained in section 4.2.1 – would be hardly usable to support equal pay in small companies.

60 See <https://www.geostat.ge/media/35015/Krebuli-2020.pdf>.

61 In 2019 (the latest data currently available), only 44.8 per cent of hired employees were employed by small enterprises.

4.3 Weighing the options

To estimate the additional burden of the regulation demanding that companies fill in the instrument, we considered the status quo (Option 0) and two possible implementation options (Option 1 and Option 2), providing a rough estimate of the incremental costs associated with both these alternatives, compared to the status quo, as well as an assessment of their non-

monetary advantages and drawbacks.

To define Options 1 and 2, we kept in mind four relevant layers (dimensions) emerging as important from the implementation exercise, stakeholder consultations and review of international experience. For each layer, we considered two different alternatives. The layers and the alternatives are presented in Table 2.

Table 2:
Alternative options

	Alternative 1	Alternative 2
Company size	All of the companies are required to fill in the instrument, regardless of their size.	Only the companies that employ more than 50 people are required to fill in the instrument.
Mandating versus not mandating	The companies are not obliged to fill in the instrument and to report the results to the monitoring body. Rather, the instrument can only be used for self-assessment. With the help of the instrument, companies will find the wage gaps among the people performing the same job and then decide the optimal internal policy.	The companies are obliged to fill in the instrument and report the results to the monitoring body, which will then decide how to act.
The tool format	The entire instrument (i.e. the working sheet and the results sheet) is being sent to the companies.	Companies can only access the working sheet. They are not able to see the results.
The list of required variables to be filled in	Only the necessary variables are to be filled in by the companies (i.e. the variables without which the Excel instrument does not work).	All of the variables are necessary to be filled in by the companies.

As there are two alternatives for each of the layers, in total there are 16 possible combinations. The pros and cons of each alternative are discussed below, proposing and comparing the two reform options resulting from the different combinations of the selected alternatives, and whenever possible, the superior one was selected.

- **Company size**

As previously mentioned, while the costs incurred by small companies are not substantially smaller than those incurred by larger ones, the informativeness of the exercise is much lower.

This is probably the reason why – among the countries we examined – all but Iceland (which has fewer than 400,000 inhabitants) require only companies with more than 50 employees to report about equal pay. This seems to be a sensible option in the Georgian case as well.

- **Mandating versus not mandating**

Should the instrument be mandated, the number of firms engaged can be expected – according to available international evidence – to be significantly larger than in the case of non-mandatory reporting (with companies

allowed to choose whether or not to utilize the tool for self-assessment). While this is a positive aspect, other negative consequences might also be anticipated. Companies, for example, might more strongly oppose the introduction of the instrument and attempt to circumvent the regulation.

In addition to the risk of a slower adoption process – outside of the scope of this assessment – this could force public administration to invest more heavily in enforcing the new regulation, ensuring the compliance of companies, checking the data reported and sanctioning unlawful behaviours. Costs, therefore, could increase, both for companies and for public administration.

For the purpose of this analysis, we will be assuming that the data collection is mandatory for medium and large-sized companies. However, in line with the current and planned level of effort from the Labour Inspectorate, we will assume only a fraction of the companies will be inspected (the same fraction that would have been inspected in the absence of the reform). This arrangement would allow for the exclusion of significant incremental costs on the part of both the companies and public administration.

NOTE: Enforcing mandatory reporting will require an adjustment in the existing legislation, as the public administration body that might be charged with the enforcement task (e.g. the Labour Inspectorate) cannot currently sanction companies for failing to provide the data, while it can sanction the failure to guarantee equal pay for equal work. This structure of incentives would likely lead to massive non-compliance.

- **The tool formats**

A strong case might be made for requiring the raw data from the companies – without providing them with the worksheets that show the analysis (if reporting becomes mandatory and is acknowledged as admissible evidence in anti-discrimination cases in court). The idea is simple – there will be less manipulation of the data. We have imagined a situation in which

a company sees the results and finds out that there is unequal pay for equal work. Having access to the results in real time, they can simply keep changing the values of “Managerial Responsibility” or “Skill Level Required” (these two variables are completely subjectively evaluated by the company, so they can easily be manipulated) for a job/individual so that the results are modified. The manipulated results might falsely claim that there is equal pay for equal work when in reality there is not. If the companies cannot see the results, then there might be a lower probability of cheating. This is a relevant issue, especially if the information reported will be allowed as evidence in anti-discrimination trials. If the companies cannot see the results, it will be more difficult for them to modify the data to show equal pay for equal work for each group. Opting for this solution would not cause major cost increases, but it will reduce the ability of the company to perform a self-assessment. The only additional costs anticipated would be associated with the decision to provide feedback to the companies to help them address the emerging inequalities.

- **The list of required variables**

The idea is to select only those variables that minimize the time cost while guaranteeing the desired quality of the outcomes. While collecting more detailed information is helpful both for companies and for institutions fighting wage discrimination, this comes at a cost. As the team has learned from the test, there is a direct correlation between the number of variables companies must collect and report and the total cost those variables incur. This is an aspect worth keeping in mind when deciding which option to adopt.

4.3.1 Option 0 (status quo)

The status quo option captures all costs/burdens that companies are subject to according to already existing regulations. According to the newest government regulation, for example, companies are obliged to fill in the time sheet of their employees regularly. They must provide the number of hours worked by each

employee daily, every month. Because this regulation is already in force, the time necessary to collect that information and organize it will not be included in our estimate of compliance costs that companies incur when building the variable “% of Working Time”.

4.3.2 Common assumptions across Option 1 and Option 2

There are several assumptions that we applied to both options:

- Small enterprises are exempted from collecting and sharing data.
- All medium and large-sized companies must collect the required data (and comply).
- The number and type of enterprises scrutinized over three years are as follows:
 - Medium-sized: 48 in 2021, 104 in 2022 and 160 in 2023
 - Large-sized: 12 in 2021, 26 in 2022 and 40 in 2023
- Companies are instructed about how to proceed via an educational video.
- The data produced by companies are checked (and additional information is required) only in the event of an inspection.

4.3.3 Option 1 (highest cost)

Option 1 is characterized by these additional provisions/assumptions:

- Companies are requested to fill in all of the variables in the instrument.

In this case, the data collected will be more informative, allowing a more comprehensive analysis of the determinants of the differences in pay for equal work. This will be obtained, however, at the cost of a heavier burden on enterprises (reflected in the higher compliance costs). This might result in stronger opposition from the companies to the implementation of the reform. We do not expect, instead, a significant increase in the burden on the Labour Inspectorate. The total three-year cost for this option is GEL 838,676.60.

4.3.4 Option 2 (lowest cost)

Option 2 is characterized by these additional provisions/assumptions:

- Companies are requested to fill in only the necessary variables in the instrument.

In this case, the data collected will be providing less information, allowing a more limited analysis of the determinants of the differences in pay for equal work. In this case, however, the burden on enterprises (reflected in the higher compliance costs) will be lower. This might reduce companies’ opposition to the implementation of the reform. The expected increase in the burden on the Labour Inspectorate is identical to that for Option 1. The total three-year cost for this option is GEL 698,694.20.

The background is split horizontally into a blue top half and a green bottom half. Overlaid on this are several semi-transparent geometric shapes: a large light blue circle in the upper half, a large light green circle in the lower half, and a light blue trapezoidal shape in the upper left. The text is white and underlined.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Findings

After reviewing several possible tools for an EPRR system, **the team, in coordination with government representatives and the UN Women Country Office in Georgia, decided that the best option in the Georgian case was to adapt the DER tool of UN Women, incorporating variables from the Swiss tool (Logib) and modifying some variables to better reflect the Georgian context.**

The tool is simple to understand and to fill in, and the results generated are easy to interpret. The tool allows one to check for equal pay for equal work at a basic level, given a minimum number of required variables, but can also allow for a more detailed analysis if more variables are reported. No company reported issues in understanding and/or filling in the tool, after receiving a preliminary explanation and reading the written instructions. Assessing equal pay for equal work via the results worksheets of the tool was intuitive and straightforward. The availability of additional variables allowed for a deeper dive into the characteristics of the workforce.

The usefulness of the tool for obtaining a comprehensive view of equal pay for equal work in small companies (with 50 or fewer employees) is quite limited. Only in very few jobs are there enough male and female workers to calculate a gap. Moreover, the limited number of employees in each job cell makes it extremely difficult to interpret the identified gaps as “gender differences”. This confirms our findings in the review of international practices. Only one country among the ones we surveyed (Iceland) extends the reporting obligations to companies with fewer than 50 employees.

The overall cost of extending the requirement to fill in the instrument to small companies is substantial. This is due to two factors: (1) the cost of reporting for a small company is not substantially smaller than for medium and large ones; and (2) the number of small companies in Georgia is almost 50 times larger than the number of medium and large companies combined. According to our preliminary estimates, even by adopting the least costly option

(with a reduced number of variables), the additional cost of extending the data-collection requirement to small companies would be GEL 3,167,399.10 (yearly). The cost for medium and large companies would be, instead, GEL 227,667.90 per year in the least expensive case and GEL 274,328.70 per year in the most expensive case.

The burden of data collection is clearly felt by companies, even though financially it does not appear to be extremely high. Most companies contacted refused to engage in the exercise. This does not bode well for the successful implementation of a non-mandatory EPRR system, in line with what has been observed internationally (with most companies not engaging in the exercise when it is not mandatory). Even the companies that agreed to fill in the tool minimized the time spent on it, for example, aggregating additional and variable salaries (while this does not limit the exercise, it is indicative of companies’ preferences). Moreover, the large company agreed just to report data for a large department, instead of reporting for the entire organization, and for one month rather than for 12 months (this would have multiplied their costs – in our exercise, we have adjusted the expected time required for large companies, keeping this in mind). On the positive side, providing all of the variables utilized by the tool (including those not strictly necessary) seems to be completely feasible.

Companies are particularly reluctant to reveal the salary data of the entire company, particularly data for the highest positions in the organizational structure. Reluctance to reveal salary data was one of the recurrent reasons mentioned by companies refusing to engage in the exercise.

The variables “Managerial Responsibility” and “Skill Level Required” can be easily manipulated by companies – especially if they have access to the entire tool – to adjust the results so that the instrument demonstrates that there is no unequal pay for equal work. We noticed this while testing the instrument and analysing the data provided by the companies.

The expected incremental costs to the Labour

Inspectorate, associated with the introduction of the EPRR system, do not appear excessively high.

The estimated cost is GEL 5,230.20 per year.

There are currently gaps in the legislation that will need to be filled in to ensure the correct implementation of the EPRR system. Currently, the Labour Inspectorate (which we – based on the outcome of our stakeholder consultations – believe is the most likely candidate to become the enforcing agency) does not have the power to sanction companies not providing salary data or companies violating the principle of equal pay for equal work.

5.2 Conclusions and recommendations

After reviewing several possible tools for an EPRR system, and after having tested a modified version of the DER tool of UN Women with two Georgian companies (a small company and a large company) and finding it effective and simple to use, we believe that **the modified tool presented in this GIA is a valid tool that could become the basis for the implementation of an EPRR system in Georgia.**

In consideration of the limited usefulness of the tool for the analysis of small companies (those with 50 or fewer employees), and of the large number of small companies – leading to a substantial compliance cost for this group of companies – **the GIA team recommends introducing the instrument only for companies with more than 50 employees**, as such companies will have many individuals who fall in the same group and the analysis will be more thorough. This solution, as mentioned above, would be in line with international best practices, as most countries exempt companies with 50 or fewer employees.

As far as the amount of information requested from companies is concerned, we highlight the presence of a clear trade-off between the informativeness of the exercise and the burden on companies. Having in mind the results of the test, **it might be advisable to ask companies to fill in all of the fields currently in the instrument, with the only exception of allowing them just to aggregate the variable and additional salary variables in a single column.** The reasons for this suggestion are

that (1) both companies managed to provide the above-mentioned information without any particular difficulty; and (2) the time cost of providing the additional information (beyond that which is strictly necessary for the calculation of the gender pay gaps in each job) is relatively limited.

To facilitate the implementation of the reform and the use of the tool by companies, **we recommend investing in communication and awareness-raising.** A way to do that might be utilizing the existing communication channels of the Labour Inspectorate and/or of the Public Defender's Office to advertise and explain the changes, as well as provide relevant information and support to both employees and employers. To magnify the impact of the initiatives, it might be possible to develop an entirely new platform, perhaps with the support of international donors.

Concerning the mandatory or non-mandatory nature of the EPRR tool, our recommendation depends on the goal of the reform. The mandatory approach is more costly (in our analysis, we quantified the expected cost to companies and the enforcing agency if this approach is adopted), and its introduction is more likely to face the opposition of most companies. However, such an approach would also provide stronger support to the enforcement of the principle of equal pay for equal work and make it easier for employees to substantiate their claims. The costs of the non-mandatory approach, instead, would be incurred only by the companies willing to engage in the exercise. On the other hand, adopting this approach will make it harder to prove or disprove the existence of unequal pay for equal work. Therefore, **if the goal is to provide a tool to the agency enforcing the equal pay for equal work principle, and facilitate appeals from workers, then filling in the tool should be made mandatory. On the other hand, if the goal of the reform is to support companies in their efforts to eliminate unequal pay for equal work, the non-mandatory form might be preferable.**

In case a mandatory approach is chosen, and the tool output is going to constitute the basis for the enforcement of the equal pay for equal work

principle, **we suggest providing companies just with the first part of the model, for them to input the necessary data but not be able to assess independently the existence of pay gaps at the job level.**

If the chosen approach is, instead, to use the tool to help willing companies identify and correct (on a voluntary basis) the existing pay gaps, we recommend sharing the entire tool with the companies.

If the system will be set to allow the enforcing agency to use the collected data to identify and prosecute violations of the equal pay for equal work principle, **it is crucial that the current gaps in the associated legislation are closed so that the enforcing agency is capable of both sanctioning the failure to provide the required data and prosecuting violations of the equal pay for equal work principle.**

Additional recommendations, suggested by the experience of the European Union (European Commission, 2020a), include the following:

- **Clarify how to apply and use some existing legal concepts**, as existing legal concepts such as “pay” and “equal/same work” need to be defined clearly. Clarity is particularly important

on how to interpret and apply the existing concepts.

- **Clearly define the mandate, and increase the resources, of monitoring bodies** in terms of their formal role in enforcing equal pay provisions – to enable them to issue an opinion, to take a decision on a case or to bring a case to court.
- **Define a minimum level of fines and compensation in cases of gender-based pay discrimination.**
- **Promote awareness of the right to redress, which would increase the incentive for victims to seek access to justice.**
- **Clearly define the level of evidence required to reach the threshold of presumption of discrimination and the role of pay transparency measures** in supporting the implementation of the reversed burden of proof, by enabling workers to provide evidence from which discrimination can be presumed.
- **Promote the use of gender-neutral job classifications/evaluations.**
- **Promote training and the exchange of good practices with EU countries on building gender-based pay discrimination cases.**
- **Promote data collection and research on the impacts of policies that promote the application of the equal pay principle**, in particular counterfactual impact evaluation studies that assess the higher-level impacts.

ANNEXES

ANNEX A.

MANUAL OF THE EPRR TOOL FOR GEORGIA

How to Fill in the Equal Pay Review and Reporting (EPRR) Tool

1.1. Data Sheet: This is the file you should work on. Other sheets are updated automatically.

You should provide each employee’s personal data and remuneration. The information must be provided for each employee. Some information fields are not mandatory. Please also note that you should

provide information about individuals and individual entrepreneurs with whom you have had a **service contract** during the past year.

Using this information, the tool will allow you to get a summary table of: **1.2 Organizational Chart, 1.3 Salary** and **1.3.1 Salary Graphs. Salary and Salary Graphs** compare salaries by sex and job for women and men, allowing you to already detect whether and where salary differentials exist.

FIELD	Description	Notes	Compulsory
ID	Unique identification number for each employee, which is assigned by the individual who fills in the instrument	Can be just numbers: 1, 2, 3, etc. Please keep in mind that this is not a person’s ID number.	Yes
Sex	Sex of the employee	You can choose from two options in the Excel file. You should specify one of the two options, either male or female .	Yes
Birth Year	The year of birth of the employee	You must indicate only 4 digits (YYYY) corresponding to the year of birth of an employee. For example, 1980.	Yes
Ethnicity/Race	Ethnicity of the employee	This field is not compulsory. Choose among the following in the Excel file: Georgian, Abkhazian, Armenian, Azeri, Ossetian, Russian, Ukrainian and other.	No
Children	Number of children of the employee	This field is not compulsory. Should be indicated in numbers (e.g. 0, 1, 2,...).	No
Education	The highest education level currently attained by the employee	You have to choose among the following education levels indicated in the Excel file: <ul style="list-style-type: none"> ● Primary education or below ● Basic general education ● Vocational education without secondary general education ● Secondary general education ● Vocational education with secondary general education ● Higher professional education or equivalent ● Bachelor’s degree or equivalent ● Master’s degree or equivalent ● Doctorate or equivalent 	Yes
Hire Year	Year the person was hired	Indicate only the year, with 4 digits. For example, 2005.	Yes
Date Accepted on Current Position	Year the person moved into the current position	Indicate only the year, with 4 digits. For example, 2005. If the person’s hire year is the same, please indicate the same year inputted as the Hire Year.	Yes

Contract Type	The contract type formed with the employee	You must specify the type of contract formed with the employee. You have to choose among the following contract types indicated in the Excel file: Permanent, Temporary or Service Contract. Detailed descriptions are provided below.	Yes
% of Working Time	Percentage of working time performed by the employee (from full working time)	You should input working time either in fractions (e.g. 0.5 for 50% working time) or use the percent symbol after any number expressed as a numeral (50% and not just 50). 100% (or 1) means full-time. The purpose of the percentage shares is to take into account the difference in duration of working hours when calculating the differences in base salaries. Please note that when calculating the percentage of working time, you should take the working time stipulated in the contract (and not the time actually worked by the employee). Consequently, the percentage of working time should never exceed 100%. A detailed description is provided below.	Yes
Area	Area/field in which the employee works	Companies are free to choose what are the relevant areas in their organization (for each employee). For each employee, the area/field in which they work should be indicated, such as administration, production, finance, research, information technology (IT), marketing, etc. The same area must be named exactly and always in the same way. This is essential because Excel only identifies as equal the values (texts) that are exactly the same (letter by letter).	Yes
Location	Location of the establishment	For each employee, you should indicate the location where they perform work . For each employee, their workplace location should be chosen from the list that is provided in the Excel file. The list includes the top 15 cities by population (Tbilisi, Kutaisi, Batumi, Zugdidi, Rustavi, Poti, Marneuli, Gori, Samtredia, Khashuri, Zestaponi, Telavi, Senaki, Kobuleti, Akhaltsikhe), other urban areas, rural areas and working from abroad.	Yes
Position	Position at work/job title	The position at work/job title of each employee should be indicated. This is the main variable that the EPRR tool uses to do the analyses. The tool admits a maximum of 40 different jobs (if there are more than 40 different jobs, it is recommended to group those that are similar). The same job must be named exactly and always in the same way (letter by letter, with identical capitalization). For example, director, deputy director, sales person, manager, researcher, senior researcher, analyst, etc. Note that in the case a person is an intern , you have to indicate the intern in the position. In case of a service contract, the service must be indicated.	Yes

Managerial Responsibility	Code corresponding to the managerial responsibility level of the job position	Managerial responsibility takes integer values from 1 to 5. A more detailed explanation is provided below.	Yes
Skill Level Required	Code corresponding to the required skill level of the job position	Skill level takes integer values from 1 to 4, where 1 corresponds to an activity with the most complex problem-solving/decision-making tasks, while 4 corresponds to an activity with the least complex tasks that are simple manual or routine tasks. A more detailed explanation is provided below.	Yes
I. Fixed Sal.	Fixed salary received during the past year	Salaries must be denominated in Georgian lari (GEL). If the company is paying salaries in foreign currency (to workers being employed abroad), it must be converted into GEL using the exchange rate of the day when the Excel file is filled in. That day's official exchange rate can be obtained from the website of the National Bank of Georgia at https://www.nbg.gov.ge/index.php?m=582 . A detailed description is provided below.	Yes
II. Sal. Additional	Additional salary received during the past year	Currency exchange details apply to this field as well. You can see a detailed explanation about the currency denomination above. A detailed description is provided below.	Yes
III. Sal. Variable	Variable salary received during the past year	Currency exchange details apply to this field as well. You can see a detailed explanation about the currency denomination above. A detailed description is provided below.	Yes
Ibis. Adj. Fixed. Sal.	Fixed salary adjusted to 100% of the working time	Calculated automatically; do not include data.	-
IV. Adj. Total. Sal. (Ibis + II + III)	Adjusted total salary	Calculated automatically; do not include data.	-

Contract type

A **permanent contract** has no fixed end date. The employee may stay within the company until either he/she decides to leave (due to moving to another organization or retiring) or the job role no longer exists.

A **temporary contract** has a specific end date, before which the employee-employer collaboration exists. The individual is employed for a certain period of time.

Please note that if the term of the employment contract is more than 30 months, or if the employment relationship based on a temporary

contract is extended two or more times and its duration exceeds 30 months, the employment relationship is considered to be under a permanent contract. Temporary contracts shall be deemed to have been concluded sequentially if the existing temporary contract was extended immediately after its expiration or if the next temporary contract was concluded within 60 days after the expiration of the first temporary contract.

If the person is on a **paid internship**, a temporary contract should be indicated as the type of contract.

If you have/have had a service contract with an individual or individual entrepreneur during the past year, select the **service** in the appropriate field.

Managerial responsibility

The “Managerial Responsibility” variable serves to categorize functions based on the degree of leadership responsibility. Managerial responsibility takes integer values from 1 to 5. Employees with the highest level of responsibility are assigned a value of 1, while employees with no management function are assigned a value of 5. However, there might also be

employees who have another specific responsibility, such as specialist responsibilities or responsibility for human life. Such employees could be classified as having higher managerial responsibilities than those valued at 5 (corresponding to no management function). The following table summarizes the managerial responsibilities comprising each level. Please use this table when assigning managerial responsibilities to each employee.

Managerial Responsibility 1	<p>Employees with the highest level of responsibility (top management)</p> <p>Director or having involvement in executive management:</p> <ul style="list-style-type: none"> ○ Shaping or helping shape policy at the corporate level ○ Responsibility or joint responsibility for the achievement of the company's goals ○ Coordination of various management functions ○ Responsibility for policy and achievement of objectives in a specific area
Managerial Responsibility 2	<p>Employees with high responsibility (middle management)</p> <p>Management of a department within the company; high-level support roles:</p> <ul style="list-style-type: none"> ○ Responsibility for the planning and organization of a specific area ○ Involvement in the development of long-term action plans
Managerial Responsibility 3	<p>Employees with added responsibilities (lower management)</p> <p>Performance-oriented management of a sub-area; qualified support roles:</p> <ul style="list-style-type: none"> ○ Responsibility for carrying out tasks in his/her own area of activity ○ Involvement in planning and organization
Managerial Responsibility 4	<p>Employees with minor added responsibilities (lowest management)</p> <p>Supervision of tasks according to specific instructions:</p> <ul style="list-style-type: none"> ○ Supervision of work in progress ○ Occasional involvement in planning and organization
Managerial Responsibility 5	<p>Employees with no added responsibilities (no management function)</p>

Skill level required

The “Skill Level Required” variable categorizes the functions by the complexity of the tasks performed. Skill level (qualification level) could be classified according to the job profile and functional specifications (tasks) and the skills profile (required skills). Skill level takes integer values from 1 to 4, where

1 corresponds to an activity with the most complex problem-solving/decision-making tasks, while 4 corresponds to an activity with the least complex tasks that are simple manual or routine tasks. The following table summarizes the characteristic tasks, required skills and qualifications that are usually required for each skill level (qualification level).

<p>Skill/Qualification Level 1:</p> <p>a position that includes extremely demanding and difficult tasks</p>	<p><i>Characteristic tasks according to job profile:</i></p> <ul style="list-style-type: none"> ● Solving complex problems ● Decision-making based on broad factual and theoretical knowledge analyses, research and development ● Diagnosis and solution ● Transfer of knowledge 		
	<p><i>Required skills according to job profile:</i></p>		
	<p>Intellectual</p> <ul style="list-style-type: none"> ● Understands complex documents ● Familiar with complex concepts and issues 	<p>Psychosocial</p> <ul style="list-style-type: none"> ● Organization of complex interpersonal situations 	<p>Physical</p> <ul style="list-style-type: none"> ● Where necessary, coping with physical stress
	<p><i>Qualifications usually required:</i> Master's degree or equivalent; doctorate or equivalent.</p>		

<p>Skill/Qualification Level 2:</p> <p>a position that requires very independent and skilled work</p>	<p><i>Characteristic tasks according to job profile:</i></p> <ul style="list-style-type: none"> ● Complex technical or practical tasks requiring factual, technical or methodical knowledge 		
	<p><i>Required skills according to job profile:</i></p>		
	<p>Intellectual</p> <ul style="list-style-type: none"> ● Understands complex documents ● Compiles detailed reports 	<p>Psychosocial</p> <ul style="list-style-type: none"> ● Organization of complex interpersonal situations 	<p>Physical</p> <ul style="list-style-type: none"> ● Where necessary, coping with physical stress
	<p><i>Qualifications usually required:</i> Higher professional education or equivalent.</p>		

<p>Skill/Qualification Level 3:</p> <p>a position that requires professional or specialist knowledge</p>	<p><i>Characteristic tasks according to job profile:</i></p> <ul style="list-style-type: none"> ● Manually skilled, technical and/or clerical activities requiring knowledge and skills in a particular occupational field 		
	<p><i>Required skills according to job profile:</i></p>		
	<p>Intellectual</p> <ul style="list-style-type: none"> ● Reading and writing minutes and simple reports ● Simple calculations 	<p>Psychosocial</p> <ul style="list-style-type: none"> ● Regular verbal communication 	<p>Physical</p> <ul style="list-style-type: none"> ● Specific manual skills
	<p><i>Qualifications usually required:</i> Bachelor's degree or equivalent; vocational education with secondary general education.</p>		

<p>Skill/Qualification Level 4:</p> <p>a position with simple and/or repetitive activities</p>	<p><i>Characteristic tasks according to job profile:</i></p> <ul style="list-style-type: none"> ● Simple repetitive tasks of a mainly manual or physical nature 		
	<p><i>Required skills according to job profile:</i></p>		
	<p>Intellectual</p> <ul style="list-style-type: none"> ● Possibly basic reading and numeracy skills ● Possibly mental acuity due to monotony 	<p>Psychosocial</p> <ul style="list-style-type: none"> ● Occasional simple verbal communication 	<p>Physical</p> <ul style="list-style-type: none"> ● Physical strength and stamina ● Fine motor skills (precise movements)
	<p><i>Qualifications usually required:</i> Secondary general education; vocational education without secondary general education; basic general education or below.</p>		

% of working time

This variable shows the percentage of working time performed by the employee. Working for 40 hours a week and 12 months a year is considered full-time employment (100 per cent working time) in terms of normalized (normal) work duration. For 12 months, a 48-hour work schedule per week is considered full-time employment (100 per cent) for enterprises with a specific work regime, where work processes last continuously for more than eight hours.

The percentage of working time is calculated as follows:

- Normalized (normal) work duration: multiplying the share of working hours in a week out of 40 hours and the share of working months in a year out of 12 months, expressed in percentages. Overtime should not be included here (percentage of working time never exceeds 100 per cent). For example, if a person works 20 hours per week out of 40 hours (part-time employment: $20/40 = 0.5$), and 6 months per year out of 12 months (part-time employment: $6/12 = 0.5$), the percentage working time will be: $20/40$ [part-time employment] \times $6/12$ [6 out of 12 months] \times $100 = 0.5 \times 0.5 \times 100 = 25\%$. This number should be placed in the corresponding cell of the Excel file.⁶²
- In an enterprise with a specific working regime: multiplying the share of working hours in a week out of 48 hours and the share of working months in a year out of 12 months, expressed in percentages. Overtime should not be included here (percentage of working time never exceeds 100 per cent). For example, if a person works 24 hours per week out of 48 hours (part-time employment: $24/48 = 0.5$), and 6 months per year out of 12 months (part-time employment: $6/12 = 0.5$), the percentage working time will be:

62 Expressed as a formula, it would be as follows

$$\frac{\text{number of working hours in a week}}{40} \times \frac{\text{number of working months in a year}}{12} \times 100$$

63 Expressed as a formula, it would be as follows:

$$\frac{\text{number of working hours in a week}}{48} \times \frac{\text{number of working months in a year}}{12} \times 100$$

$24/48$ [part-time employment] \times $6/12$ [6 out of 12 months] \times $100 = 0.5 \times 0.5 \times 100 = 25\%$. This number should be placed in the corresponding cell of the Excel file.⁶³

This measure is used to “harmonize” the salary and make it comparable for full-time and part-time workers.

Salary data

The inputted salary data must always be comparable. To this end, it must be ensured that the time lapse, used to compute salaries, is the same for all of the people. In such cases, the salary is comparable for all employees. If you are including people who have not been employed throughout the whole year, their salaries should be increased proportionately (for example, if a person has been employed for six months and is going to be included in the DER, their salaries should be multiplied by 2).

In relation to the salaries to be incorporated, the following three categories are distinguished:

1. **Fixed Salary (I. Fixed Salary)** – This is the salary that a person receives on a stable or fixed basis. That is, every month (or pay period) is the same amount. Fixed salary includes (1) **basic (ordinary) salary**⁶⁴ and (2) **any benefits provided by contract**, such as job supplements, reimbursement of transportation costs, social/health insurance⁶⁵ and contributions to private or public pension plans/funds.⁶⁶ If the costs are specified in the contract or national law as part of the compensation package (e.g. research funds, free use of a vehicle and reimbursement of fuel for personal use, or contributions to pension funds), they should be included in the fixed reimbursement. If the contract does not directly specify the costs and the reimbursement is made only as a result of certain activities

64 This is the minimum amount an employee can expect to receive from his/her salary, after tax and before any bonuses. Basic salary is not the same as gross salary – gross salary is the total of all of the money that an employee is being paid for doing his/her job.

65 Social/health insurance expenses made by a company are for co-financed or fully financed insurance packages.

66 An individual retirement account (IRA) and 401(k) plans are good examples of retirement plans/funds.

(e.g. reimbursement based on the number of kilometres that the seller needs to travel to customers, or the number of kilometres travelled by car in one month), then it should not be entered.

In the case of a **service contract**, you should indicate the fixed salary paid to the person hired under the service contract *for work done during the past year (if the service contract covers a longer term than one year, we should only indicate remuneration paid for work done during the past year)*.

- 2. Additional Salary (II. Additional Salary)** – This is the salary that a person receives on a temporary basis, associated with the performance of a longer period of work, or as additional compensation for an expense that he/she has had to incur. This amount varies from month (or pay period) to month. Additional salary includes (1) sales commissions,⁶⁷ (2) recurring salary bonuses,⁶⁸ (3) overtime⁶⁹ and (4) compensated holidays.⁷⁰

In the case of a **service contract**, you must indicate the amount paid as additional remuneration determined by the contract *for the work done during the past year* (if any) (if the service contract covers a period of more than one year, we must take only the additional remuneration paid for the work done during the past year).

- 3. Variable Salary (III. Variable Salary)** – This is the salary that a person receives in recognition for their performance or for the overall results of the company or organization. These amounts are normally paid at the end of the year or quarter. Variable salary includes (1) occasional salary bonuses⁷¹ and (2) profit sharing.⁷²
- In the case of a **service contract**, you must indicate the amount paid as variable salary determined by the contract *for the work done during the past year* (if any) (if the service contract covers a period of more than one year, we must take *only the variable salary paid for the work done during the past year*).

67 “A sales commission is an additional compensation the employee receives for meeting and exceeding the minimum sales threshold. Employers pay employees a sales commission to incentivize the employees to produce more sales and to reward and recognize people who perform most productively”. Source: <https://www.thebalancecareers.com/what-is-a-sales-commission-1917856>.

68 “Recurring bonus amounts means any portion(s) of a participant’s compensation which is (i) not base salary, (ii) is payable in cash (excluding any equity-based compensation awards that are settled in cash), and (iii) is a recurring and/or predictable component of the participant’s compensation for a calendar year such that the participant will know before the start of such calendar year that he is or may be eligible to receive such bonus if the criteria applicable to such bonus are satisfied (in full or in part). Recurring bonus amounts include (but are not limited to) a participant’s annual bonus, sales incentive compensation plan bonuses (if applicable to a participant), and similar bonuses (if any) but does not include any long-term incentive award payments. The entire amount of any such recurring bonus amount will be taken into account in accordance with the terms of this plan”. Source: <https://www.lawinsider.com/dictionary/recurring-bonus-amounts>.

69 According to the Labour Code of Georgia, “work shall be deemed overtime work when an employee works by agreement between the parties during the period exceeding 40 hours a week for adults, 36 hours a week for minors from 16 to 18 years of age, and 24 hours a week for minors from 14 to 16 years of age. Overtime work shall be compensated by the hour based on increased pay rate. The amount of

the above compensation shall be determined by agreement between the parties”.

70 Holidays are defined by the Labour Code of Georgia: 1 and 2 January, 7 January, 19 January, 3 March, 8 March, 9 April, Easter holidays (Good Friday, Good Saturday, Easter Sunday, Easter Monday), 9 May, 12 May, 26 May, 28 August, 14 October and 23 November. If an employee works during the holidays, it shall be deemed overtime work, and the terms for its compensation shall be determined by the corresponding article of the Labour Code.

71 Occasional bonuses are an additional amount of pay that an employee earns on top of his/her regular salary or hourly pay rate, based on the specific details that qualify employees to receive a bonus (periodicity of receiving the bonus is not predetermined). For example, these can include an on-the-spot or spot bonus, which is a one-time bonus used to reward exceptional work in unique circumstances; a signing bonus, an extra amount earned as a reward for joining a company; a retention bonus, as a sign of appreciation for an employee choosing to stay with his/her company; and a referral system that rewards an employee if he/she brings in qualified applicants for an open position.

72 “Profit sharing is an incentivized compensation program that awards employees a percentage of the company’s profits. The amount awarded is based on the company’s earnings over a set period of time, usually once a year. Unlike employee bonuses, profit sharing is only applied when the company sees a profit”. Source: <https://online.king.edu/news/how-does-profit-sharing-work/>. This does not include profits made by company shareholders.

The salary calculation process does not include (1) seniority allowance,⁷³ (2) reimbursement of expenses,⁷⁴ (3) fuel payment or (4) reimbursement of cell phone expenses.

The combined information can be seen in the table below.

SALARY CONCEPT	Fixed Salary	Additional Salary	Variable Salary	DO NOT COMPUTE
Ordinary salary (basic salary)	X			
Job supplements	X			
Seniority allowances				X
Sales commissions		X		
Recurring salary bonuses		X		
Overtime		X		
Compensated holidays		X		
Occasional salary bonuses			X	
Profit sharing			X	
Reimbursement of expenses				X
Fuel payment				X
Reimbursement of cell phone expenses				X
Reimbursement of transport expenses	X			
Social/health insurance	X			
Retirement plans/funds	X			

With this information, the EPRR tool automatically performs the following calculations to **adjust the salary data**:

Ibis. Adj. Fixed. Sal. (I ÷ % of Working Time). The fixed salary is divided by the percentage of working time consigned for the person.

$$\text{Adjusted Salary} = \frac{\text{Fixed Salary}}{\% \text{ of Working Time}}$$

For example, if a person has a fixed salary of GEL 15,000 per year, working 50 per cent of the working day, then this calculation will result in GEL 30,000 per year (allowing you to compare the salaries of part-time and full-time employees).

Similar calculations are made only for fixed salary and do not apply to the other two types of salaries.

IV. Adj. Total. Sal. (Ibis + II + III). This adjusted total salary is obtained by adding the adjusted fixed salary, the additional salary and the variable salary.

73 Seniority allowance is an allowance for employees based on their experience at work. For example, employees who spend more than 5 years and less than 10 years at work have the right to a seniority allowance equal to 5 per cent of basic salary, while employees who spend more than 10 years and less than 20 years have the right to a seniority allowance equal to 10 per cent of basic salary. If an employee's working hours have varied during the qualifying period, the seniority allowance is based on his/her average working hours over the previous five years (or 10 years in the

case of the 10-year seniority allowance). Each company has its own policy in this regard. Another example regarding the amounts paid is as follows:

- For a 25-year anniversary: 1/12 of annual salary
- For a 40-year anniversary: 1/9 of annual salary
- For other anniversaries: 1/18 of annual salary

74 Expense reimbursement is a method for paying employees back when they spend their own money on business-related expenses. These expenses include travel, hospitality, small business-related purchases, etc.

ANNEX B.

SAMPLE SCREENSHOT OF THE EXCEL FILE

Id	Sex (Male or Female)	Birth yr.	Ethnicity/race	Children	Education	Hire year	Contract	% working time	Area	Location
1	male	1951	Ossetian	2	Master or equivalent	2017	External	100%	Construction	Other - urban
2	female	1952	Georgian	2	Master or equivalent	2020	External	100%	Research	Tbilisi
3	female	1953	Georgian	2	Bachelor or equivalent	2020	External	100%	Construction	Tbilisi
4	female	1954	Georgian	2	Bachelor or equivalent	2014	External	100%	Construction	Tbilisi
5	male	1955	Ossetian	2	Bachelor or equivalent	2017	External	100%	Construction	Tbilisi
6	male	1956	Ossetian	2	Bachelor or equivalent	2014	External	100%	Construction	Tbilisi
7	female	1957	Abkhazian	2	Bachelor or equivalent	2020	External	100%	Construction	Tbilisi
8	male	1958	Ossetian	2	Master or equivalent	2020	External	100%	management	Tbilisi
9	female	1959	Armenian	2	Bachelor or equivalent	2020	External	100%	management	Tbilisi
10	female	1960	Ossetian	2	Bachelor or equivalent	2017	External	100%	management	Tbilisi
11	Male	1961	Ossetian	2	Master or equivalent	2014	External	50%	Research	Tbilisi
12	male	1962	Ossetian	2	Doctor or equivalent	2020	External	30%	Research	Senaki
13	male	1951	Georgian	2	Bachelor or equivalent	2014	External	100%	Construction	Other - urban
14	female	1952	Georgian	2	Bachelor or equivalent	2020	External	100%	Research	Tbilisi
15	female	1953	Georgian	2	Bachelor or equivalent	2020	External	100%	Construction	Tbilisi
16	female	1954	Georgian	2	Bachelor or equivalent	2014	External	100%	Construction	Tbilisi
17	male	1955	Georgian	2	Bachelor or equivalent	2020	External	100%	Construction	Tbilisi
18	male	1990	Georgian	2	Bachelor or equivalent	2016	External	100%	Construction	Tbilisi
19	female	1957	Georgian	2	Bachelor or equivalent	2020	External	100%	Construction	Tbilisi
20	male	1958	Ossetian	2	Master or equivalent	2017	External	100%	management	Tbilisi
21	female	1989	Georgian	2	Bachelor or equivalent	2020	External	100%	management	Tbilisi
22	female	1960	Georgian	2	Bachelor or equivalent	2020	External	100%	management	Tbilisi
23	Male	1961	Georgian	2	Bachelor or equivalent	2017	External	50%	Research	Tbilisi
24	male	1984	Georgian	2	Master or equivalent	2020	External	30%	Research	Senaki

(continue)

Id	Job	Management Responsibility	Skill Level Required	I. Fixed Sal.	II. Sal. Additional	III. Sal. Variable	Ibis.Adj. Fixed.Sal.	IV.Adj.Total. Sal. (Ibis + II + III)	Character
1	worker	1	1	1,000	10	40	1,000	1,050	(Feminized)
2	researcher	1	1	1,300	10	40	1,300	1,350	(Masculinized)
3	worker	1	1	1,400	10	40	1,400	1,450	(Feminized)
4	worker	1	1	2,100	10	40	2,100	2,150	(Feminized)
5	worker	1	1	1,300	10	40	1,300	1,350	(Feminized)
6	worker	2	4	1,200	10	40	1,200	1,250	(Feminized)
7	worker	2	4	1,000	10	40	1,000	1,050	(Feminized)
8	manager	2	4	500	10	40	500	550	[Not applicable]
9	worker	3	3	456	10	40	456	506	(Feminized)
10	worker	3	3	1,000	10	40	1,000	1,050	(Feminized)
11	researcher	1	1	3,000	1	100	6,000	6,101	(Masculinized)
12	researcher	1	1	1,300	0	0	4,333	4,333	(Masculinized)
13	worker	1	1	1,000	10	40	1,000	1,050	(Feminized)
14	researcher	1	1	1,300	10	40	1,300	1,350	(Masculinized)
15	worker	1	1	1,400	10	40	1,400	1,450	(Feminized)
16	worker	1	1	2,100	10	40	2,100	2,150	(Feminized)
17	worker	1	1	1,300	10	40	1,300	1,350	(Feminized)
18	worker	2	4	1,200	10	40	1,200	1,250	(Feminized)
19	worker	2	4	1,000	10	40	1,000	1,050	(Feminized)
20	manager	2	4	500	10	40	500	550	[Not applicable]
21	worker	3	3	456	10	40	456	506	(Feminized)
22	worker	3	3	1,000	10	40	1,000	1,050	(Feminized)
23	researcher	1	1	3,000	1	100	6,000	6,101	(Masculinized)
24	researcher	1	1	1,300	0	0	4,333	4,333	(Masculinized)

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