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POLICY BRIEF:

WOMEN AND POVERTY IN THE SOUTH CAUCASUS

BACKGROUND: WOMEN AND POVERTY AROUND THE WORLD

A world without poverty is the number one goal on the 2030 Agenda for Sustainable Development. Yet, poverty risks have been exacerbated globally in recent years, due to both the COVID-19 pandemic and the Russian war on Ukraine. Researchers currently estimate that between 760 and 873 million people around the world will be living in extreme poverty in 2022.[1] Out of which, from 388 to 446 million will be women and girls (compared to 372-427 million men and boys). Statistics reveal that women outnumber men in the poorest 20 percent of households in more than half of the countries around the world for which gender-disaggregated data is available (UN Women, 2015).[2] The gendered nature of poverty has also been documented within many countries around the world.

From a conceptual perspective, the causes of the gender poverty gap may be traced to the disbalance in economic power between men and women, and the existence of gender-discriminatory structures and cultural practices, those which prevent women from accessing the resources needed to lift themselves out of poverty or become less vulnerable (Chant, 2003, 2010; Johnsson-Latham, 2004). For example, it is widely documented that women earn less than men globally, and that the gender pay gap is a phenomenon characteristic of both developing and developed countries (Terada-Hagiwara et al., 2018). Additionally, women also tend to be over-represented in informal employment, which exacerbates economic vulnerability – for example, according to the data, as much as 63% of informal workers worldwide are women (UN Women, 2015). Additionally, unpaid domestic care for children and elderly family members is also mostly shouldered by women (Babych, 2021) and this contributes to lower labor force participation rates, hence reducing the lifetime earnings of women.

Policy interventions could thus help address and alleviate some of the disbalances which contribute to female poverty and therefore reduce the overall incidence of poverty. However, the gendered nature of poverty and the vulnerability of women as a social group tends to be obscured in the available statistical data. When focusing on the purely monetary dimensions of poverty (income and consumption), the data shows that the gender poverty rate differential is by no means a uniform phenomenon, and it tends to differ across *age groups, family size,* and *family structure*.

- For example, poverty rates globally are not significantly different for women and men on aggregate (the female poverty rate is estimated to be 12.8 percent vs. 12.3 percent for men). Nevertheless, the poverty rate is significantly higher for women than for men in the 20-34 age group, with the widest gap observed in the 25-29 age group, which coincides with the age that most women raise young children. After that stage, the gender poverty gap converges with age, and becomes higher again for women after the age of 85 (Munoz-Boudet et al., 2021).

- Children tend to experience higher poverty rates than adults (over 15), and while poverty rates among boys and girls is roughly equal worldwide, the poverty rate for girls is higher in

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[1] https://data.unwomen.org/features/poverty-deepens-women-and-girls-according-latest-projections

[2] Although it must be noted that there are significant gaps in the gender disaggregated data at the household level in the world's poorest regions, such as sub-Saharan Africa and parts of Asia.

UN Women. (2015). *Progress of the World's Women 2015-2016*.

South Asia (ibid). This stems from the fact that poorer families in this region tend to have more children and have a higher share of girls. The most likely cause of this is a strong cultural preference for sons, which can drive families to try for a boy despite not having enough resources to support their current family.

- As far as family structure is concerned, families with children are more likely to be poor worldwide (ibid). Coupled with the fact that women are more likely to live in households with children than men, this increases women's vulnerability to poverty.

- Single parents, among which women are in the majority, are much more likely to experience poverty than two-parent households. This contributes to the fact that female-led households show higher poverty rates worldwide than male-headed households (UN Women, 2019).

Researchers point out that the existing data is insufficient to fully reflect the gendered experience of poverty, and that the statistics only identify a narrow view of women's economic vulnerability. In part, this is driven by poverty being measured at the household level, where the total income/consumption of a given household (comprised of both men and women) is divided among members based on the "adult equivalent scale".[3] A household (and, consequently, all its members) is considered poor if its adjusted income/consumption per person is below a certain threshold. This method however cannot account for the possible imbalance of access to resources/consumption within the household by male or female members. It also does not show any vulnerability to poverty within a given household (e.g., the ownership of assets, ability to make decisions about household finances, and the experience of physical or economic forms of domestic violence).

Resultingly, researchers argue that the gendered experience of poverty should not be understood only in terms of income or access to economic resources. Factors such as legal rights within a family, power and agency in decision-making, vulnerability to violence, etc., also form a significant part of the poverty experience among women (Johnsson-Latham, 2004; Johnson, 2005).

IS THE SOUTH CAUCASUS DIFFERENT? WOMEN AND POVERTY: OVERVIEW OF THE REGION

The data for the South Caucasus shows that, on most common gender and poverty criteria, these countries seem to share the same trends reported throughout the rest of the world (i.e., roughly equal poverty rates for men and women on aggregate, but much higher poverty rates reported for families with children, and significantly higher poverty rates for female-headed households with children). One observed difference, however, between the South Caucasus and European countries is that pension aged women face somewhat lower poverty rates than men of a pensionable age, whereas older women in European countries face significantly higher poverty rates than men. This may be due to the differences in the structure of pension benefits. For example, in Georgia there are flat benefits that reach the subsistence minimum for a single-person, as opposed to the salary-based pension benefits or accumulative benefits in Europe, which tend to favor higher-earning male pensioners.

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[3] A method for adjusting household income per person by assigning weights to each member of the household (the first member is assigned the weight of one, while each subsequent members receive a lower score based on their age).

In **Georgia**, the overall difference between male and female poverty rates are not significant. This is consistent with the general results observed worldwide. For instance, in 2021 (ISET-PI calculations based on HIES 2021), the relative poverty rate[4] among women was 18.6 percent, while for men it was 19.2 percent. The official Geostat statistics for 2021 report female vs. male poverty rates based on an absolute national threshold (a subsistence minimum). In this case, the female poverty rate is again only slightly below the male equivalent. However, when we consider female-headed vs. male-headed households, the picture changes significantly.

Female-headed households in Georgia have relative poverty rates that are nearly 2 percentage points higher (20 percent vs. 18.3 percent in male-headed households in 2021). The size of the gap is very similar to that reported within the World Bank Georgia Country Gender Assessment study, based on 2018 data (World Bank, 2021). In addition, the same World Bank study identified that single women with children in a household represent a disproportionately high share of the poor: they account for 13 percent of all households, and for 17 percent of poor households (ibid). According to this report, by far the most vulnerable household group (with the highest poverty rates in 2018) were households containing only adult women (a 39.3 percent poverty rate, based on the subsistence minimum).

Equally, pension age women in Georgia face lower overall poverty rates than women in general (14.1 percent vs. 18.6 percent), but slightly higher poverty rates than pensionable men, with a poverty rate of 12.9 percent.[5] This contrasts with European data, where older women (over 65) generally have much higher poverty rates than older men: 23 percent vs. 17 percent (UN, 2015).

In **Armenia**, the poverty rate, based on the national absolute poverty line,[6] was 23.5 percent in 2018. The gap between female and male poverty was again insignificant, with women reported as having a slightly higher poverty rate than men (23.6 vs. 23.4 percent). Once again, this is consistent with global trends and offers very similar results to Georgia.

As far as female-headed households are concerned, the gap in Armenia is similar to that in Georgia. For example, female-headed households have a poverty rate of 26.3 percent, in comparison to male-headed households with 27.3 percent (based on Armstat data from 2020). This gap has fluctuated over the years, but generally it has been in the range of one or two percentage points. Nonetheless, poverty rates are much higher for single, female-headed households with children below six years old. Within this category, the poverty rate (42.1 percent) is twice as large as for females with no children under six.

As in the rest of the world, Armenian children are more likely to be among the poor than adults (the poverty rate among children was 34.1 percent in 2020). Although the overall difference between boys and girls was not particularly large (a 34.3 percent poverty rate among girls and 33.6 for boys). Unsurprisingly, larger households (6-7 persons and more) were over-represented among the poor.

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[4] Defined for a person living in a household with below 60% of median consumption per equivalent adult.

[5] ISET-PI calculations based on HIES 2021.

[6] It should be noted that the methodology for calculating national poverty line in Armenia is somewhat different to Georgia. In USD terms, the poverty threshold is higher in Armenia, which would account for the marginally higher reported poverty rates in the same years. Therefore, a direct comparison between the two countries cannot be made based on national poverty rate data. It is possible, however, to discuss gaps between female and male poverty and general trends in the data.

In **Azerbaijan**, base data exists (from the Household Budget Survey), which allows the calculation of the differential gap between male and female poverty. Yet unlike Georgia or Armenia, the data is currently unavailable for researchers or even international institutions, which precipitates a lack of data on gender-differentiated poverty (ADB, 2019). This is unfortunate and likely hurts the country's development agenda, even though Azerbaijan has generally reported great progress in fighting poverty over the last decade.

For instance, the overall poverty rates in Azerbaijan decreased drastically, from 49 percent in 2001 to 5.9 percent in 2021.[7] However, the most complete gender-disaggregated and family-type disaggregated data on poverty we found derived from 2001. During this year, the reported gap between female and male poverty was not notable, amounting to two percentage points (similar to Georgia and Armenia), with women's poverty being slightly higher.

Generally, female-headed households were not more likely to be poor than male-headed households in Azerbaijan (the relative poverty rate was 17% for both groups in 2001). Although larger households, and those with a higher number of children, had twice the poverty rate of households without children.

Vulnerable households, such as those with IDPs, also had much higher poverty rates than the national average. The gender composition of households with more than four children was not reported, but given the very high boy to girl ratio at birth in Azerbaijan (117 boys for 100 girls in 2002 and 121 boys for 100 girls in 2020), one can surmise that more girls would reside in larger families, where parents are trying for conceive a boy, but may not have the means to control both the gender composition or the family size. This hypothesis, however, cannot be currently verified due to the lack of available data.

CONCLUSIONS AND POLICY OPTIONS

The overview of poverty and gender in the South Caucasus reveals that regional trends are essentially consistent with those in the rest of the world, namely that on the aggregate level differences in poverty rates between women and men, girls and boys, are not significant. This is partly because poverty is measured on a household level and not on an individual level. The aggregate figures obscure the many potential differences in access to resources, including consumption, within households. Thus far, there is no consensus in the literature for a good direct measure of inter-household resource allocation (Bradshaw et al., 2017). Surveys suggest that indicators such as ownership of assets, inheritance rights and practices, power of decision-making within households, and the prevalence of domestic violence (including restrictions on women's economic activity and access to common family resources), may each serve as indirect indicators of the degree to which women may be vulnerable to poverty.

Better gender-disaggregated data certainly needs to be collected and tracked on a systematic basis. Governmental statistical agencies *should receive appropriate funding* to conduct this type of survey and data collection. In general, *the countries in the region should strive to provide ample resources for gender-disaggregated data collection* (in particular, regular time-use surveys; labor force surveys with a particular gender focus; surveys that look at resource allocation within households; domestic

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[7] The State Statistical Agency of Azerbaijan.

violence surveys; etc.), increase data transparency, and raw data availability for research purposes (predominantly in the Republic of Azerbaijan).

Moreover, the data from the South Caucasus suggests that families with children, most notably single female-headed households with children, are much more vulnerable to poverty. This indicates the need for specific targeted policies that address poverty risks for such at-risk households.

Among the policies necessary to address this issue is the potential for greater opportunities for flexible employment and job training, as well as for additional childcare needs that these families may face.

In order to address the issues of *women and girls' vulnerability to poverty at the policy level*, further systemic social and economic problems need to be considered. The documented labor force participation gap between men and women[8] in the South Caucasus may be affected by women's inability to combine work and childcare duties (due to inflexible workplace policies), or the pressure that women may face within households (e.g., devoting most of their time to unpaid care work). EU legislation, for instance, addresses some of these issues by *codifying the work-life balance rights of workers (both men and women)*.[9] In Georgia, it would also be important for the government to *work with the private sector to ensure that employers are aware of the challenges women face on the labor market and become engaged in finding suitable solutions*.

The well-documented gender pay gap (UN Women 2020a, 2020b; World Bank, 2022) is another problem which affects all countries of the South Caucasus. The fact that women are paid less than men for the same work, and work fewer hours in regular employment then men (due to childcare, family care duties) has considerable implications for women's economic security, employability, and their vulnerability to poverty. Addressing the gender pay gap is no easy task, but, as noted earlier, *targeting the disproportionate burden that women in the region shoulder in unpaid family work* and childcare duties may help alleviate this constraint (Babych, 2021; ISET-PI Gender Equality Index, 2020; Petrosyan, 2005). Policies *targeting social attitudes towards women's role in the family* may therefore be warranted in this context. This may include, for example, promoting the equal gender distribution of unpaid domestic work at the state level, educating families about the importance of gender equality, and teaching children of both sexes to take up their fair share of household chores.

One crucial feature of gender progress in the South Caucasus is that the phenomenon of poverty is multi-faceted, and it may not be uniform across social groups or for women belonging to different social groups. Therefore, it may be better to focus on vulnerability to poverty rather than actual incidences of the poverty of women and girls. One must recognize that the existing social and institutional structures may contribute to poverty, vulnerability to poverty, and to their persistence. Moreover, addressing poverty and vulnerability as both an economic and a social issue would require a policy approach that targets attitudes as much as it targets the existing laws and regulations.

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[8] Especially women of a child-bearing age.

[9] For example, Directive 2019/1158; Directive 2019/1158; Directive 2006/54; Directive 2010/41.

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