

# Readiness to Implement the Action Plan to Strengthen Regional Cooperation on Social Protection: Georgia





*The shaded areas of the map indicate ESCAP members and associate members.\**

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## Acknowledgements

This report is a joint product of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Government of Georgia and the United Nations Resident Coordinator Office (UNRCO), in Georgia. The report was prepared under the overall supervision of Katinka Weinberger, Chief, Sustainable Socioeconomic Transformation Section, Social Development Division, ESCAP. The drafting team consisted of Areum Han, Marie Alice Stijns and Sayuri Cocco Okada from ESCAP and Tamar Bortsvadze, ESCAP consultant.

ESCAP is profoundly grateful to the Government of Georgia, led by the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs. ESCAP also extends its gratitude for the collaboration of the United Nations Resident Coordinator's Office in Georgia and the UN Country Team, Georgia, United Nations Population Fund Country Office in Georgia, and the Decent Work Technical Support Team and Country Office for Central and Eastern Europe, International Labour Organization.

Documentation support was provided by Ployparn Jariyakul and Pornnipa Srivipapattana.

The graphic design was done by Daniel Feary.

## Glossary

ALMPs	Active Labour Market Policies
CBP	Child Benefit Programme
HIES	Household Income and Expenditure Survey
ECA	Europe and Central Asia
ENEA	East and North-East Asia
GEL	Georgian Lari
GeoStat	The National Statistics Office of Georgia
ILO	International Labour Organization
MICS	Multiple Indicator Cluster Survey
MoIDPLHSA	The Georgian Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs
NCA	North and Central Asia
PMT	Proxy Means Test
TSA	Targeted Social Assistance
SEA	South-East Asia
SSA	Social Service Agency
SSWA	South and South-West Asia

## Introduction

Social protection is a key policy instrument to build productive, protected and healthy populations. In 2020, ESCAP member States endorsed the Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific (Action Plan). The Action Plan serves as a shared vision, strategy and platform for promoting partnership, peer learning and identifying needs for capacity development. The Action Plan sets out 12 national actions that underpin the achievement of more inclusive and comprehensive social protection systems, ranging from upholding the right to social protection in legislative and regulatory frameworks, to ensuring a more effective design, coordination and delivery of social protection schemes.

To support member States in the implementation of this first-ever regional Action Plan, ESCAP has been mandated to develop a regional platform. As part of this support, national reports and consultations are being conducted in Cambodia, Georgia, the Maldives, Mongolia, the Philippines and Türkiye, with the purpose to share national experiences and pathways towards the vision of the Action Plan.

This report presents a situational analysis of the social protection system in Georgia. It assesses the extent to which the social protection system in the country fulfils its purpose using a lifecycle framework. This report focuses primarily on income transfers as a means of delivering lifecycle social protection, in line with ILO Convention No. 102 and Recommendation No. 202. To this end, the report seeks to assess each category of social protection that is particularly enshrined in the latter recommendation on minimum standards for social security and addresses lifecycle contingencies, including old-age pensions, disability benefits, survivors' benefits, cash sickness and maternity benefits, unemployment benefits, employment injury benefits, and family benefits. Specific focus is placed on underlining healthcare benefits, the shock responsiveness of the social protection system to cope with the adverse effects of COVID-19, and a collection of smaller benefits addressing specific risks or supporting narrowly defined populations that are considered to be particularly vulnerable.

The social protection system referred to in this report focuses primarily on basic income security for key life contingencies. Nevertheless, it should be noted that the national scope of social protection in Georgia may encompass a broader scope and larger number of schemes, including subsidies.

The report analyses two types of income transfers—contributory and non-contributory<sup>1</sup>—as mechanisms for providing social protection or social security in the country. Based on this analysis, the report proposes policy priorities and future areas of focus. The report is based on an analysis of administrative data, the most recent statistical data in the country, a review

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<sup>1</sup> For the purposes of this report, the term contributory schemes refers to schemes into which an individual has made regular contributions. Contributory schemes are also known as social insurance schemes. The term non-contributory schemes is used to refer to cash benefits that are provided to individuals, regardless of any previous financial contributions. Non-contributory schemes are often funded through taxes or other sources of government budget and referred to as social assistance.

of relevant literature, and engagement with technical experts in relevant ministries or governmental agencies.

The report for Georgia aims to:

- present an overview of the national social protection situation, policies and approaches,
- identify the potential impact a broadening of social protection coverage could have on poverty and other areas,
- initiate a discussion on ways for the Government to implement the Action Plan.

The report has incorporated comments and feedback from a national consultation conducted on 7-December 2023 with participation from nine Government entities, including the Social Service Agency, State Employment Agency and Agency for State Care and Assistance for the (Statutory) Victims of Human Trafficking from the Ministry of Internal Affairs, the Ministry of Internall Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, Pension Agency, Tibilisi City Hall, Mksheta City Hall, Dusheti City Hall and Rustavi City Hall. In addition, representatives from two civil society organization from World Vision and the Child Welfare League, as well as the United Nations Resident Coordinator’s Office of Georgia, United Nations Population Fund (UNFPA) and Office of the United Nations High Commissioner for Refugees (UNHCR) participated in the consultation.

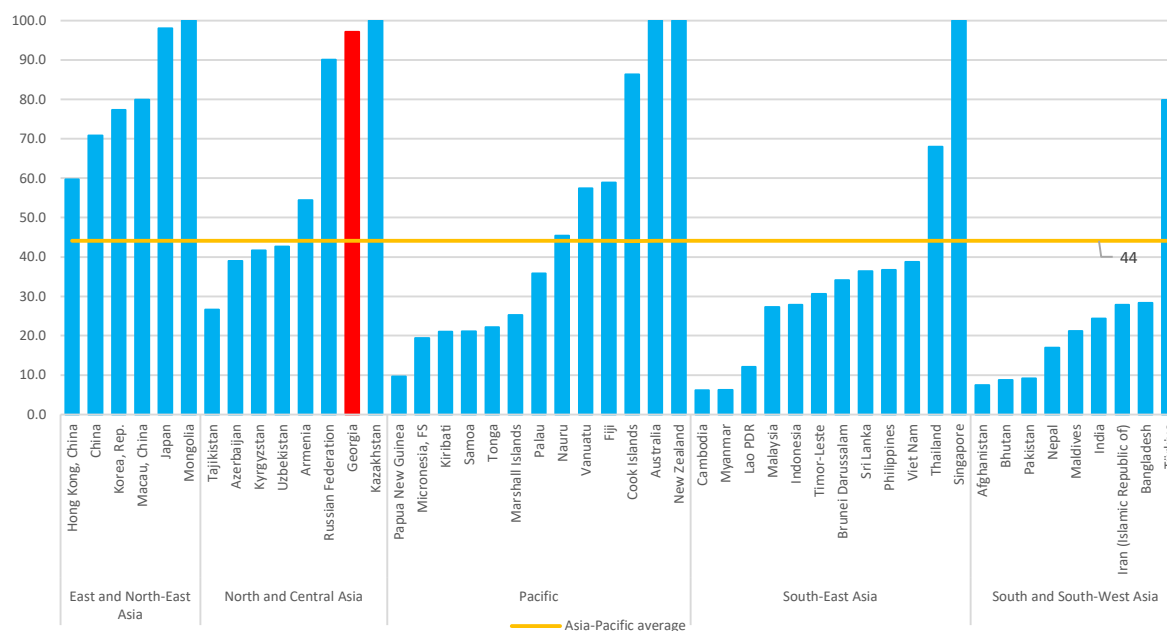
## Chapter 1: Overview of Social Protection in Georgia

The Government of Georgia has established a mixture of targeted and universal non-contributory schemes that provide varying levels of protection for different age groups. The design and implementation of the social protection system in Georgia is still strongly determined by its institutional legacies. Still, as of the of end 2021, 16 per cent of the population live below the absolute national poverty line.<sup>2</sup>

This Chapter shows the social protection system in Georgia in the regional context of Asia and the Pacific in terms of coverage, level of investment and workers' contributions.

1.1 Coverage of social protection is high Across the Asian and Pacific region, less than half of all people are protected by at least one social protection scheme (figure 1.1). Georgia stands out as one of the handful of countries in the region to grant access to at least one social protection scheme for almost the entire population (97%).

**Figure 1.1: Percentage of population covered by at least one social protection scheme in Asia and the Pacific, latest available data**



Source: International Labour Organization, SDG indicator 1.3.1 - Proportion of population covered by social protection floors/systems (%), based on Social Security Inquiry Database. Data accessed in August 2023.

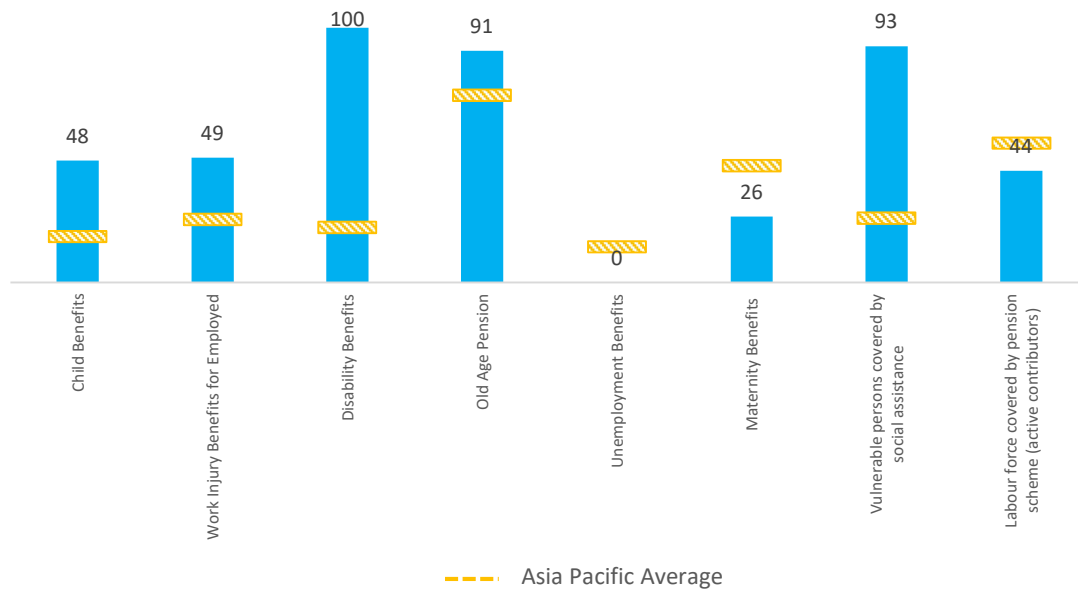
When looking at different contingencies, we see that there are varying levels of social protection coverage for most life contingencies (figure 1.2). Georgia achieves near-universal coverage, at 91 per cent, for old age persons through the combination of its contributory old age pension and non-contributory social pension, which exceeds the ESCAP average of 74 per cent of older persons. Despite this success, the targeted child and family benefit package reaches just under half of

<sup>2</sup> Georgia, National Statistics Office of Georgia, *Indicator of Poverty and Gini Coefficients* (2023). Available at <https://www.geostat.ge/media/53825/Poverty-Indicators-and-Gini-Coefficients-%282022-year%29.pdf>



children/households, at 48 per cent of the population, and maternity benefits are estimated to cover only around one in four mothers.<sup>3</sup>

**Figure 1.2: Proportion of social protection coverage by selected contingencies in Georgia (%)**



Source: International Labour Organization, *SDG indicator 1.3.1 - Proportion of population covered by social protection floors/systems (%)* based on Social Security Inquiry Database. Data accessed in August 2023.

1.2 Coverage is high although the investment remains below the global average Georgia spends less than the global average on social protection. Georgia achieves high coverage of social protection despite low expenditure due to the relatively low contributions towards pensions.<sup>4</sup> In 2018, the average social assistance spending per beneficiary per annum was approximately less than a quarter of the subsistence minimum at GEL 572.<sup>5</sup> In 2020, the Government of Georgia committed 7.1 per cent of GDP towards social protection (figure 1.3).<sup>6</sup> Although this may be slightly higher than the ESCAP average of 4.9 per cent it is substantially lower than the OECD average of 14.6 per cent of GDP, where overall, other countries provide more robust and comprehensive social protection systems.<sup>7,8</sup>

<sup>3</sup> ILO, ILOSTAT database. Available at [www.ilo.org](http://www.ilo.org) (accessed on 23 June 2023).

<sup>4</sup> The World Bank, Georgia Human Capital Review. Available at <https://documents1.worldbank.org/curated/en/099435008172221325/pdf/P1735300c417d2026096d50dd8d8218cd90.pdf>

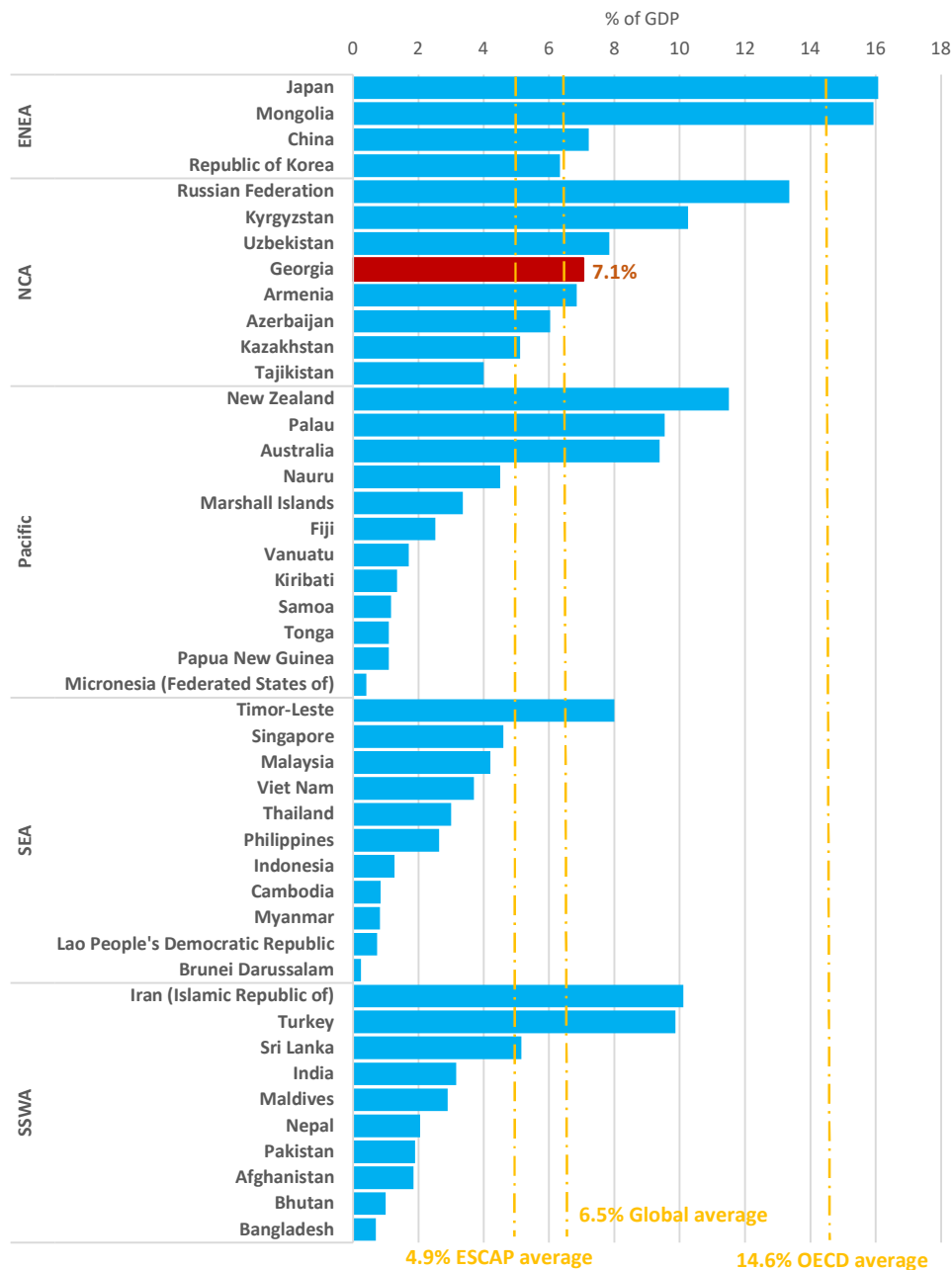
<sup>5</sup> Ibid.

<sup>6</sup> According to World Bank data, in 2018, Georgia committed 6.2 of GDP towards social protection. World Bank, Georgia Human Capital Program-for-Results: Technical Assessment. Available at <https://documents1.worldbank.org/curated/en/09993010224232512/pdf/Final0Technica0I0Program000P175455.pdf>

<sup>7</sup> International Labour Organization, “More than half of people in Asia and the Pacific still lack social protection, says new ILO report”, press release, 30 August 2022. Available at [https://www.ilo.org/asia/media-centre/news/WCMS\\_854249/lang--en/index.htm](https://www.ilo.org/asia/media-centre/news/WCMS_854249/lang--en/index.htm)

<sup>8</sup> OECD, “Social Spending” OECD Data. Available at <https://data.oecd.org/social/spending.htm#:~:text=Social%20expenditure%20comprises%20cash%20benefits,%2C%20unemployed%2C%20or%20young%20persons> (accessed in June 2023).

**Figure 1.3: Public expenditures on social protection in Asia Pacific (% of GDP)**

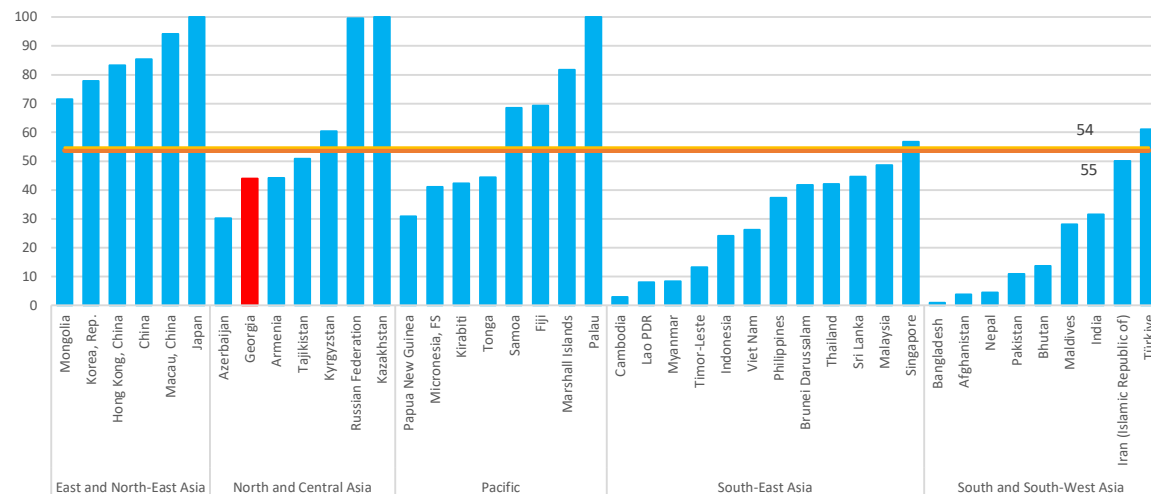


Source: Social Outlook for the Asia and the Pacific: The Protection We Want (ESCAP) (2020). Available at: <https://www.unescap.org/publications/protection-we-want-social-outlook-asia-and-pacific>.

### 1.3 Payments to contributory social protection benefits in Georgia

In Georgia, only 44 per cent of all workers are actively contributing to a social protection scheme, primarily the contributory old age pension scheme, trailing behind the regional average of 55 per cent (figure 1.4).

**Figure 1.4: Percentage of the labour force actively contributing to a social protection scheme in Asia-Pacific**



Source: International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32>. Data accessed in August 2023.

One reason for the region’s low share of workers contributing to a social insurance scheme is high labour market informality in Asia and the Pacific. Informal workers do not usually earn enough to pay the contributions. When they can afford to, they are in most cases not eligible to do so. At the same time, these workers are often not poor enough to qualify for non-contributory poverty-targeted benefits. Without access to predictable and regular forms of income security, many households remain vulnerable to falling into cycles of poverty with limited options to advance their social mobility and contribute further to national development outcomes.

In 2020, according to the ILO definition, informal employment was estimated to account for 56 per cent of the total employment in Georgia.<sup>9</sup> Informal sector operators include self-employed without any paid employee and employer in own family operated farms or businesses. The self-employed in the informal sector numbered 739,927 while employers in the informal sector numbered 5,049.<sup>10</sup> Specifically, almost all of those employed in the agriculture sector was informally employed, at approximately 99 per cent, followed by those in the construction sector where around 67 per cent were informally employed.<sup>11</sup>

One proxy measurement of the informal economy is vulnerable employment, defined as the share of own-account and contributing family workers in total employment, many of whom do not have formal employment contracts or access to social protection and often earn low or irregular wages. Almost half of Georgia’s workforce is in vulnerable employment (figure 1.5). This has important implications for society and families.<sup>12</sup>

<sup>9</sup> ILO (2023). ILOSTAT database. Available at [www.ilo.org](http://www.ilo.org) (accessed on 20 June 2023).

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> ESCAP and ILO, *The Protection We Want: Social Outlook for Asia and the Pacific 2020* (Bangkok: ESCAP, 2020).

**Figure 1.5: Total vulnerable employment as percentage of total employment in selected countries, latest year available**



Source: World Bank Database <https://data.worldbank.org/>. Data accessed in August 2023.

Georgia achieves high coverage rate with the majority of its population covered by at least one social protection scheme due to the extensive coverage of old age pension. However, informal and vulnerable forms of employment remain a key challenge in Georgia.

## Chapter 2: Development of Social Protection System in Georgia

### Introduction

The Georgian social protection system underwent a profound transformation in the country's transition from Soviet rule to a market-oriented economy—a process that saw democratic institution-building and Georgia becoming a middle-income country. Aside from economic blips due to shocks from the 2008 financial crisis and the COVID-19 pandemic, the economy in Georgia has grown steadily in the last couple of decades. An average annual growth rate of 5 per cent<sup>13</sup> has enabled the government to undertake several important reforms, resulting in increased labour market opportunities and agricultural production-, as well as increased investment in social protection, mainly in non-contributory schemes and old age pensions. All of this has resulted in good progress being made in tackling poverty. Poverty has decreased considerably. However, 55.4 per cent of the population still live below the international cut-off point of \$6.85 (2017 PPP) a day in 2021, as reported by the World Bank<sup>14</sup> (in comparison, the same indicator stood at 70.1 per cent in 2004<sup>15</sup>). Combating poverty has been considered the main objective for the social protection policies in the country. However, the large share of informal employment and newly emerging patterns of poverty present challenges for means-testing and targeting. According to the Labour Force Survey of 2022, 28.4 per cent of the total workforce is in the informal sector, with 33.4 per cent of men and 22.5 per cent of women in informal work.<sup>16</sup> While women have a lower rate of informal employment compared to men, domestic workers, who are predominantly women should be noted separately. This group faces significant vulnerability due to the isolated nature of their work, the absence of labor protections, and their lack of access to social benefits.

The social protection system in Georgia has continuously shifted since independence, with remarkable progress being made in terms of the expansion of the system in terms of both enlarging coverage of different vulnerable social groups as well as increasing the value of cash assistance to enable better responses to different shocks. These overall improvements were also reflected in its administration. However, the series of radical changes and the ad hoc nature of policy design and reforms have resulted in a complex and quite fragmented legal framework. Social protection risk areas and benefits are scattered across several areas of legislation. Even though there have been ongoing efforts to expand and consolidate the social protection system, it still lacks a holistic vision, leading to different inefficiencies in the system.

### Brief History of Georgian Protection System

Upon gaining independence in 1991, like most post-Soviet countries, the Georgian government drastically decreased social spending as revenues to finance such programmes diminished due to economic crises. The reforms in the 1990s were mainly directed at economizing on social expenditures and decreasing the level of some benefits with the aim of providing an affordable social safety net for

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<sup>13</sup> GeoStat. 2023. National Accounts. Retrieved from: <https://www.geostat.ge/en/modules/categories/22/national-accounts> (accessed on 20 July 2023).

<sup>14</sup> World Bank. 2023. Poverty and Equality Brief- Europe and Central Asia: Georgia. Retrieved from: [https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global\\_POVEQ\\_GEO.pdf](https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_GEO.pdf) (accessed on 20 July 2023)

<sup>15</sup> GeoStat. 2022. Poverty and Gini Coefficients. Retrieved from: <https://www.geostat.ge/en/modules/categories/192/living-conditions> (accessed on 9 September 2023).

<sup>16</sup> GEOSTAT National Statistics Office of Georgia, Statistics on Employment and Unemployment <https://www.geostat.ge/en/modules/categories/683/Employment-Unemployment>

those who were most in need and for those hurt by transition.<sup>17</sup> Expenditures on pensions were also reduced by reducing payments to working pensioners<sup>18</sup> and by tightening the eligibility criteria for obtaining disability pensions. In 1996, the pension age increased and became 65 for men and 60 for women (before it was 60 for men and 55 for women).<sup>19</sup> However, after the change of government in November 2003, a major reorientation in terms of social protection policy development was enabled, followed by major shifts in terms of increased social spending over the last ten years. The following are among the most important developments:

- The introduction of the main social assistance scheme in the country—Targeted Social Assistance (TSA)—in 2006.
- The introduction of targeted child benefits in 2015 with the several follow up expansions of the value as well as coverage.
- Pension reform was carried out in 2018, introducing a mandatory, defined contribution funded pension model. Also, in 2020, Parliament amended the Law on State Pension to index the universal pension to the inflation rate in the country to help alleviate poverty at fiscally affordable levels, stabilizing the purchasing power of pensioners and eliminating ad-hoc increases to the pension amount.
- The adoption of new labour legislation in 2020 with important labour protections, in line with the requirements of the 2014 European Union–Georgia Association Agreement.
- From 2023, the indexation of disability pensions to account for inflation rates and economic growth in the country. Most importantly, there was a systemic change of disability assessment and status determination, which will be based on a bio-psycho-social assessment methodology.

Large variations in allocations for existing schemes and coverage partly reflect the historical development of the social protection system in Georgia, which reflect the country’s prolonged transition from the Soviet-style system towards a market economy. The consolidation of the multifaceted social protection system as it exists today followed decades of wavering between different models of system financing.

### **Poverty Trends**

Through a combination of economic growth and investment in social protection, Georgia has made significant progress in tackling poverty. According to national statistics, over the period 2007–2022, poverty, as defined by the national absolute poverty rate,<sup>20</sup> fell by 23.2 per cent (from 38.8 to 15.6 per cent); meanwhile, the per centage of the population living under upper middle income class poverty line (US\$6.85 (2017 PPP) per day per capita) a day decreased from 70.1 to 55.4 per cent from 2005 to

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<sup>17</sup> The World Bank. 1993. *Georgia, a Blueprint for Reforms*. Washington D.C.: The World Bank.

<sup>18</sup> As inherited from the Soviet pension system, in the early 1990s, pensions in Georgia amounted to 55 per cent of a worker’s salary the year prior to retirement or the same share of the average of the worker’s final five years’ salary. After the reform in 1994, pensions no longer depended on the wage a person had before retirement; a flat rate equivalent to USD 0.50 was introduced, without inflation indexation.

<sup>19</sup> Urotadze, J. 2018. *Pension Policy of Georgia and International Experience*. Tbilisi: Publishing of Ivane Javakishvili Tbilisi State University.

<sup>20</sup> The National Statistics Office of Georgia (Geostat) calculates the national poverty rate using welfare aggregate based on consumption expenditures and rescaled using adult equivalencies. Prices are deflated across regions and time. Consumption expenditures are collected through the Household Income and Expenditure Survey (HIES) a nationally representative survey that collects quarterly household consumption, income, and other socio-demographic indicators.

2021.<sup>21</sup> The overall decline in poverty over the past decade can largely be ascribed to a general increase in real incomes, employment, remittances, and pensions. However, these gains have not been equally shared, reflecting relative inequalities that, as measured by the Gini index, remain high by regional standards.<sup>22</sup>

Poverty, material deprivation and social exclusion are more pronounced in rural areas, where subsistence agriculture can be considered as a form of hidden unemployment and as a coping strategy against poverty in the country. Besides these regional disparities, some groups face a higher risk of poverty, including the unemployed, pensioners, families with children, IDPs, women-headed households and other population groups that have a disadvantaged position in the labour market. Recent data from the Child Wellbeing report on Georgia show that the material and social deprivation—as defined in monetary terms—among children aged 0–15 is significantly higher than in any other age group, affecting 37.8 per cent of children in the country.<sup>23</sup> The incidence of material deprivation is also significantly higher in rural areas (47.1 per cent) than in urban areas (31.2 per cent) and it fluctuates by geographic region.<sup>24</sup> While there is only a small difference in the national poverty rates among men (15.8 per cent) and women (15.3 per cent), poverty levels are more heavily dependent on the level of education obtained.<sup>25</sup> ESCAP analysis reveals that being in the top 60 per cent wealth bracket is a primary determinant on completion of secondary education. Those furthest ahead in completion of secondary education are women living in urban areas in the richest 60 per cent of the population. Those with least access are women in the poorest 40 per cent of population living in rural areas. (See figure 2.1) In an extended model which includes disability status, the furthest behind are persons with disabilities among whom only 54 per cent completed secondary education.

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<sup>21</sup> GeoStat. 2022. Absolute Poverty. <https://www.geostat.ge/en/modules/categories/192/living-conditions> (accessed on 25 July 2023).

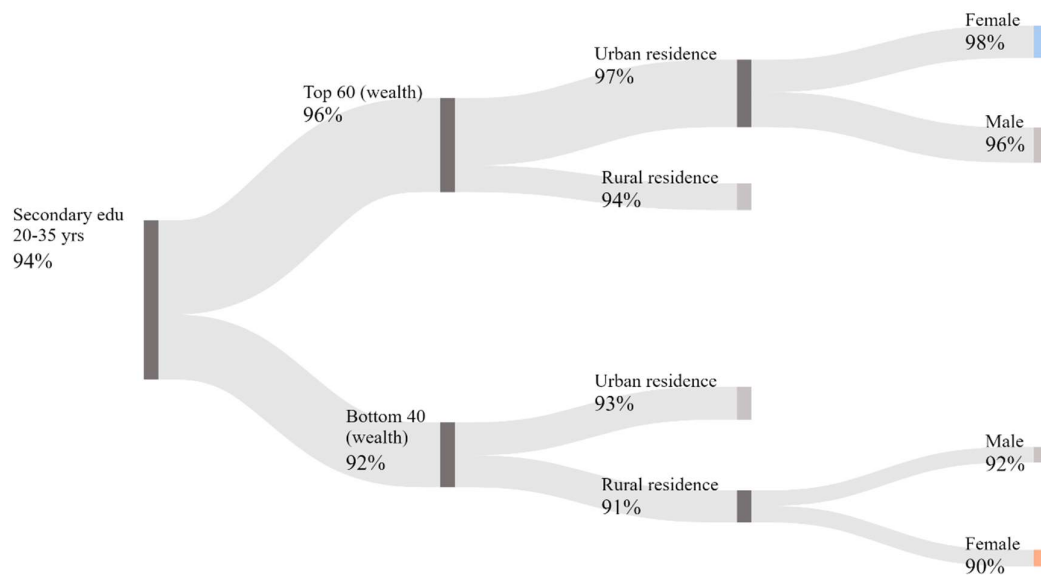
<sup>22</sup> GeoStat. 2023. Indicators of Poverty and Gini Standards. Retrieved from: <https://www.geostat.ge/en/single-news/2849/poverty-indicators-and-gini-coefficients-2022-year> (accessed on 11 August 2023); World Bank. Gini Index. Retrieved from <https://data.worldbank.org/indicator/SI.POV.GINI> (accessed on 11 August 2023).

<sup>23</sup> UNICEF. 2023. Child Wellbeing in Georgia. Tbilisi, Georgia. Retrieved from : [https://www.unicef.org/georgia/media/8221/file/Child%20Welfare%20Survey%20\(CWS\).pdf](https://www.unicef.org/georgia/media/8221/file/Child%20Welfare%20Survey%20(CWS).pdf) (accessed on 10 July 2023).

<sup>24</sup> Ibid.

<sup>25</sup> GeoStat 2022. Poverty and Gini Coefficients in Georgia. Retrieved from <https://www.geostat.ge/en/modules/categories/192/living-conditions> (accessed on 27 October 2023).

Figure 2.1 CART analysis of those left furthest behind on completion of secondary education



Source: ESCAP calculations using Household Income and Expenditure Survey for Georgia, 2022.

Note: Standard analysis based on 8,563 individuals aged 20-35.

In absolute terms, the size of the economically active population has gradually decreased over the past decade, from 1.62 million people in 2014 to 1.55 million in 2022.<sup>26</sup> The triggers for this can be seen in a large-scale demographic transformation, with an ageing population (per centage of population aged 60 or over is predicted to be 28.1 per cent by 2050<sup>27</sup>), discriminatory gender norms that disadvantage women in the labour market and persistent levels of emigration—all of which will affect the country's capacity to sustain tax revenues and state budget-financed government programmes, including the social protection system. In 2022, the economically active population was 62.9 per cent of the working-age population.<sup>28</sup> High informality in the labour market, emigration, the low level of labour force participation of women and youth, and an aging population pose barriers to inclusive and sustainable economic growth in the coming years.

Women have substantially lower labour market activity rates compared to men. In 2022, the female employment rate of the working-age population was 33.3 per cent, compared with 48.6 per cent for men.<sup>29</sup> The gender gap in employment rates is even more pronounced between men and women within the age group of 25-34 years, coinciding with the most active reproductive period for women in Georgia, resulting in a 19 percentage point difference between women (40 per cent) and men (59 per cent) in labour market engagement.<sup>30</sup> However, many people are engaged in agriculture, which is predominantly seasonal, and are thus considered self-employed with labour patterns varying

<sup>26</sup> GeoStat. 2022. Employment and Unemployment. Retrieved from:

<https://www.geostat.ge/en/modules/categories/683/Employment-Unemployment> (accessed on 10 July 2023)

<sup>27</sup> ESCAP population data sheet 2022. Retrieved from: <https://www.unescap.org/kp/2022/2022-escap-population-data-sheet> (accessed on 9 September 2023)

<sup>28</sup> Ibid.

<sup>29</sup> GeoStat 2022. Men and Women in Georgia. Retrived from

[https://www.geostat.ge/media/51156/Women\\_And\\_Men\\_In\\_Georgia\\_2022\\_ENG.PDF](https://www.geostat.ge/media/51156/Women_And_Men_In_Georgia_2022_ENG.PDF) (accessed on 10 July 2023)

<sup>30</sup> Ibid.



throughout the year. Of those who are employed, just two thirds are workers with salaries with regular tax contributions.

In addition, UNICEF's recently generated evidence reveals that persons with disabilities (PWD)<sup>31</sup> face extra costs related to their households, which considerably increases their risk of poverty. Since the existing social protection system provides support to this category, it fails to adequately respond to the levels and diversity of recipients' needs.<sup>32</sup> Also, there are certain inconsistencies in the assistance system in Georgia when some transfers are mutually exclusive. For instance, disability benefits and universal old-age pensions cannot be applied together. However, in the case of a poor child with a disability, all relevant benefits could be provided (TSA share, child cash benefit, as well as disability benefit).

### **Current Status of Social Protection Systems**

By 2023, the total government expenditure on social protection (excluding health care) increased by almost 150 per cent since 2006 in absolute terms, with the majority of non-contributory social protection schemes being fully financed from the state budget.<sup>33</sup> Overall, around 40 per cent of the Georgian population is covered by at least one social protection benefit. Some 42 per cent of men receive at least one social protection benefit, compared with 48 per cent of the female population.<sup>34</sup> The higher number of female beneficiaries are mainly a result of higher rates of women pensioners receiving a universal old-age pension. However, more women (around 55 per cent) than men (around 45 per cent) receive targeted social assistance aimed at alleviating the socio-economic vulnerabilities of households.<sup>35</sup>

Social protection spending (excluding health care) comprises a bit less than one-quarter (22.2 per cent) of the Government budget and is the largest category of central government spending.<sup>36</sup> A significant share of the social protection budget (63.2 per cent in 2023) is allocated to financing the universal old-age pension. If health is included, the share of social spending (i.e., social protection and health together) rises by an additional 23 percent point to account for more than a third (36 per cent) of the state's total budget. However, to put this spending in context, despite being a large share of the government's current expenditure, considering Georgia's budget relative to the size of its economy, this amount is considered low. When compared to North and Central Asia (NCA) countries,<sup>37</sup> in terms of general government spending on social protection, Georgia ranks in the middle, with fairly stable social protection spending at 7.1 per cent of GDP ranked below Russia Federation (13.4 per cent), Kyrgyzstan (10.3 per cent) and Uzbekistan (7.8 per cent) as per the International Labour Organization,

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<sup>31</sup> As per official government statistics, PWDs accounts to around 3 per cent of the population—including 1.4 per cent of children – that hold the official status of disabilities based on medical examination.

<sup>32</sup> UNICEF. 2023. The Cost of Raising a Child with Disabilities in Georgia. Retrieved from: <https://www.unicef.org/georgia/media/8421/file/The%20Cost%20of%20Raising%20a%20Child%20with%20Disabilities%20in%20Georgia.pdf> (accessed on 27 October 2023).

<sup>33</sup> IMF. 2020 Georgia: Expenditure by Functions of Government. Retrieved from: <https://data.imf.org/regular.aspx?key=61037799> (accessed on 27 July 2023)

<sup>34</sup> Based on the data provided on the website of Social Service Agency 2023. Statistics. Available at <https://ssa.moh.gov.ge/statistiklist.php?lang=1&v=>

<sup>35</sup> Data of Social Service Agency. 2023. Available at <https://ssa.moh.gov.ge/statistik.php?lang=1&id=202212070002225855299551&v=0>

<sup>36</sup> Ministry of Finance of Georgia. 2022. Country Budget of 2023. Available at <https://www.mof.ge/5603>

<sup>37</sup> As per UNESCAP North and Central Asia (NCA) include: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan, Uzbekistan. Available at: <https://www.unescap.org/subregional-office/east-north-east-asia>

World Social Protection Database.<sup>38</sup> However, the country spent 2.1 per cent of GDP in 2019 on social assistance, including TSA and categorical non-contributory benefits, which puts Georgia above the average for Eastern Europe and Central Asia, and spent 3.6 per cent of GDP on the universal social pension.<sup>39</sup>

Low spending generally is attributed to the limited ability to raise public revenues. It also should be noted that there are strict limits on raising new revenues. According to the Economic Liberty Act of Georgia, existing taxes can be raised, or new taxes be introduced, only through a referendum<sup>40</sup>, which means that the government operates within a relatively narrow margin of fiscal space making it challenging to include all social protection expenditure and liabilities into the state budget. This became particularly apparent regarding the universal pension system, as projections on future liabilities, taking into account the high elderly dependency ratio<sup>41</sup> in the country, suggested that the system was not fiscally sustainable as it was to be financed exclusively from the state budget.<sup>42</sup> This led to major reforms in pension system in the country moving towards contributory pension schemes and triggered discussion to shift to a social insurance system with self-financed contributory benefits that could also entails private insurance.

**Strategic vision:** The Government of Georgia’s development aspirations are reflected in the “Vision 2030 Development Strategy of Georgia”, which emphasizes employment creation as the engine for poverty reduction and improving living standards. It aims to carry out an active labour market policy to reduce the mismatch between supply and demand and to reduce the unemployment rate to 10 per cent by 2030.<sup>43</sup> The government is also committed to expanding, improving and enabling a more sustainable, fair and efficient social protection system as one of the country’s priorities; seeking to improve the targeting system and increase public expenditure on social insurance and social assistance to the most vulnerable families, especially those with children.<sup>44</sup>

There are no national definitions of social protection and social security in the country and generally both terms are used interchangeably and mainly refer to measures addressing only the needs of the most vulnerable and are aimed at alleviating poverty with less emphasis placed on risk management of contingencies throughout a lifecycle. According to the Constitution, Georgia is a “social state”,<sup>45</sup> requiring the state to reinforce the principles of social justice, social equality and social solidarity; to enable equitable socio-economic development throughout the country’s territory; and strengthening the state’s obligation for the provision of healthcare and social protection, a nationally defined

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<sup>38</sup> International Labour Office. *World Social Protection Report 2020–22: Social Protection at the Crossroads – in Pursuit of a Better Future*. Geneva: ILO, 2021 and International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/ShowTheme.action?id=10>

<sup>39</sup> World Bank. 2022. Georgia Human Capital Program-for-Results: Technical Assessment. Retrieved from: <https://documents1.worldbank.org/curated/en/09993010224232512/pdf/Final0Technica0IOProgram000P175455.pdf> (accessed on 27 July, 2023).

<sup>40</sup> Organic Law of Georgia on Economic Freedom. 2011. Retrieved from: <https://matsne.gov.ge/ka/document/view/1405264?publication=3> (accessed on 9 September 2023).

<sup>41</sup> UNFPA projections, based on the 2014 Census, suggest that the share of people 65 and older will reach 18.9 per cent in 2030 (732,000 people) and will further increase to 25.3 per cent—one in four persons—in 2050 (880,000 people). UNFPA. 2017. *Ageing and Older Persons in Georgia*. Tbilisi.

<sup>42</sup> Ministry of Economy and Sustainable Development. 2016. *Sustainability of the Pension System and Recommendations for Reform*. Tbilisi.

<sup>43</sup> Ibid.

<sup>44</sup> Government of Georgia. 2023. *Vision 2030 Development Strategy of Georgia*

<sup>45</sup> Constitution of Georgia. 1995/2020. Available at <https://matsne.gov.ge/en/document/view/30346?publication=36>

subsistence minimum, decent housing, and the protection of family welfare.<sup>46</sup> These are not individual rights but rather policy clauses that require the state to pass laws and take practical measures.

Aside from Constitutional provisions, social protection systems in the country are also governed by ordinary legislation that guarantees various social benefits in emergencies or where certain situations arise. The national Law on Social Assistance (established in 2006) and the Governmental Decree N145 on Social Assistance (2006), which defines the principles and overall framework for social assistance in the country, does not imply the provision of social assistance as an unconditional right but rather infers it to be a special measure that is based on the needs of a households and the provision of targeted distribution of appropriate resources to persons in need of special care, families living in extreme poverty and homeless persons.<sup>47</sup>

### 2.1. Responsibility and Coordination of Scheme Implementation

**Policy legislation:** The social protection system of Georgia is characterized by a high degree of fragmentation, as reflected in the contributory and non-contributory social protection systems both being scattered across different areas of legislation. The organogram (N1: Overview of Legal Framework of Social Protection Systems) below provides an overview of the existing key legal provisions as per key lifecycle risks in Georgia relative to ILO Convention No. 102.

<b>Organogram N1: Overview of Legal Framework of Social Protection Systems</b>			
	Children	Working age	Old age
<b>Lifecycle benefits outlined under ILO C102</b>	<b>Child Benefit Programme (CBP)</b>  Governmental Decree N145 on Social Assistance (2006); Ministerial Decree N225 on Defining and Provision of Targeted Social Assistance; Governmental Decree N262 on the Targeted State Programme for the Improvement of Demographic Situation (2014)	<b>Sickness benefits</b>  Labour Code (2010); Ministerial Decree of MoIDPLHSA No. 87/n on the Procedure for the Calculation and Provision of Assistance due to Temporary Incapacity at Work (2009); Ministerial Decree No. 281/n on the Temporary Incapacity Appraisal and Rules for Provision of Sick-leave Certificate (2007)  The Law on Occupational Safety (2019)	<b>State Pension</b> (universal old-age pension)  The Law on State Pension (2005); The Law on State Compensations and State Stipends (2005)

<sup>46</sup> Ibid.

<sup>47</sup> The Law on Social Assistance. 2006. Article 5. Available from <https://matsne.gov.ge/ka/document/view/23098?publication=16>

		<p><b>Employment Injury Benefits</b> (for a limited number of recipients)</p> <p>The Law on Occupational Safety (2019); Government Decree N45 on the Procedure for Definition and Provision of Assistance for Compensation for Health Injuries Caused During the Performance of Labour Duties (2013)</p>	
		<p><b>Disability Benefits</b> (for a limited number of recipients)</p> <p>The Law on the Social Support Provision for Servants and Families of Military, Law Enforcement Entities and Special Defense Services (1996); Governmental Decree N279 on the definition of the Social Package (2012)</p>	
		<p><b>Maternity benefit</b> (for the formally employed only)</p> <p>The Labour Code of Georgia (2010); The Law on Public Service (2015); The Law on Remuneration in Public Institutions (2017); Ministerial Decree N133/n on the Regulations for Reimbursement for Leave for Pregnancy, Childbirth and Childcare (2020); Ministerial Decree N7/n on the</p>	<p><b>Contributory Pension</b> (mandatory individual account for persons 40 and below in 2018)</p> <p>The Pension Savings Law (2018)</p> <p>Law on Private Contributory Pensions (2023)</p>

	<p>amendment in the Ministerial Decree N133/n on the Regulations for Reimbursement for Leave for Pregnancy, Childbirth and Childcare (2020); Governmental Decree N33 on the Determining the Amount and Provision of Measures for Leave Compensation for Pregnancy, Childbirth and Childcare (2023)</p>
	<p><b>Social Package for Survivors (survivors' benefit)</b></p> <p>The Law on Social Assistance (2006); the Law on State Compensations and State Stipends (2005); Governmental Decree N279 on the Definition of Social Package (2012)</p>
	<p><b>Social Package for Disability (universal disability social assistance scheme)</b></p> <p>The Law of Social Assistance (2006); The Law on the Rights of Persons with Disabilities (2020); Governmental Decree N279 on the Definition of Social Package (2012)</p>
	<p><b>Universal Health Care Programme (UHCP)</b></p> <p>The Law of Georgia on Health Care (1997); Governmental Decree N36 on Universal Healthcare Insurance</p>
<b>Non-lifecycle benefits</b>	<p><b>Targeted Social Assistance (TSA)</b></p> <p>The Law on Social Assistance (2006); Governmental Decree N145 on Targeted Social Assistance (2006); Decree N225/n of the Ministry of Labour, Health and Social Affairs of Georgia on the Provision of Targeted Social Assistance</p> <p><b>Other categorical social assistance benefits</b></p> <p>Governmental Decree N542 on the Provision of Social Assistance Measures for People Employed in Mining Works; Governmental Decree N157 on Measures to Regulate the Provision of Cash Benefits, Humanitarian and Other Types of Assistance for Refugees, Internally Displaced Persons and Social Issues; The Law on the Social Assistance for Dismissed Persons from the Military, Internal Affairs, Special State Security Services and their Family Members (2002, 2005)</p>

**Institutions:** In terms of **governance**, the social protection system in the country is relatively centralized, especially with respect to financing, planning and policy design. Georgia has a favourable framework with a single ministry in charge of policymaking and implementation. Most of the existing social protection benefits are centrally funded from state revenues, while social protection

policymaking is led by Department of Social Protection, IDP's and Labour Policy in the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs (MoIDPLHSA). Pensions and social protection programmes (including labour-market related schemes) are developed by the ministry and administered by its agencies (the Social Service Agency and the Employment Agency)

The realization of social protection policy, delivery and administration of most **non-contributory** transfers are administered by the **Social Service Agency (SSA)**, a MoIDPLHSA-affiliated agency, which has 11 regional offices, 56 municipal service centres and five district service centres in the capital, Tbilisi. SSA regional and district branches are responsible for identifying eligible beneficiaries, delivering benefits, and monitoring the distribution process. This seems to be a major advantage for building a more coherent and comprehensive social protection system. Before 2019, the SSA was also administering a number of social services (medical benefits, social care and rehabilitation programmes for children, etc.<sup>48</sup>), but these have since been transferred to the Agency for State Care and Assistance for the (Statutory) Victims of Human Trafficking and for the administration health care programmes, a separate entity - the Health Care Agency was established.

As a consequence of the introduction of the first contributory old age pension scheme in 2018 (discussed below), the Government of Georgia recently established the state **Pension Agency**, a semi-autonomous body under the Ministry of the Economy and Sustainable Development (MoESD), that is managed by a board comprising representatives from three ministries: the MoIDPLHSA, the Ministry of Finance and the MoESD. The agency administers the new accumulated pension system through its 60 local branches.<sup>49</sup>

**Administration:** The SSA has made good progress in terms of data and information management and has good technical alignment across multiple programmes databases (birth registry, revenue services, etc.) and between national and local offices. However, there is room for improvement so that social benefits are better targeted and delivered more quickly and efficiently to households in need. The process of updating the targeted Proxy Mean test (PMT) formula, digitizing key implementation processes, and streamlining registration in the Social Registry (a registration platform administered by the SSA) is ongoing. Further work needs to be done to make the social protection delivery system more resilient to sudden changes in vulnerabilities.

**Decentralization:** On the legislative level, responsibility for both social assistance and social services are to some degree handed out to municipalities.<sup>50</sup> However, such a delegation of responsibilities is conducted without defining either common standards, priorities or targets and without a clear determination of the roles and responsibilities of each level of governance or a coordination mechanism between the two. This lack of a common framework concerns not only income transfers, but also social services that produces differentiated, patchy and fragmented local social assistance systems across regions and municipalities in the country. These differences relate not so much to demographic or needs differences, but to local political and administrative characteristics, their interaction with the local economic context. Local municipalities also have different administrative capacities in terms of social protection policy with a mix of unclear social assistance goals and independence in deciding on potential beneficiaries (eligibility), benefit levels, temporal limits, and all other aspects related to the programmes. However, it should be noted that the social finances for

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<sup>48</sup> This list does not include healthcare programmes.

<sup>49</sup> Pension Agency of Georgia: <https://www.pensions.ge/en/>

<sup>50</sup> Self-Governance Code of Georgia (2014); The Law on Social Work(2018); The law on the Rights of Persons with Disabilities (2020) and the Code on the Rights of Children (2019).

local assistance programmes come from the central government, not from local self-governments' own resources.<sup>51</sup>

The recent efforts to decentralize the social protection system includes both risks and opportunities. While a centralised structure might ensure uniform financing and administrative procedures, as well as better statistical monitoring, a more decentralized institutional structure can better respond to clients' needs. At this stage, although the Social Registry system is integrated and accessible for households to apply for social programmes, Georgia does not have an integrated reporting system to coordinate and track beneficiaries and benefits across programmes, and across central and local government. Due to the considerable level of decentralization of social protection and social services in general at the local level (they are mainly categorical in nature) more efforts are necessary to enable inclusion and system efficiency.

The expectation that the decentralized provision of social protection will enhance citizens' wellbeing since local governments are in a better position to understand both the social preferences and needs of poor households and they can generally implement these programmes more effectively, is challenged by problems related to coordination and financing, which ultimately may produce highly diverse programmes with a disparity of protection levels. Centralized organizations, on the other hand, are often considered to have an advantage in bundling resources, collecting information from various sources and imposing best-practice strategies for local offices.

## 2.2. Overview of Contributory Social Protection Schemes

Contributory benefits are generally provided to people who have paid a minimum amount of contributions. This basic principle is also known as "social insurance", which describes a wide range of different models used internationally. Georgia has a limited number of contributory schemes. The most significant contributory benefit in Georgia is the defined contribution-funded pension model that forms the second pillar of the pension system, as enacted in 2018 and currently implemented by the Pension Agency. Beyond this there are very limited components of the contributory schemes that are discussed below. Legal coverage of the working-age population in Georgia is either provided on a universal basis (for instance, disability benefits) or is limited to the formally employed population (e.g., maternity benefits, sickness and employment injury benefits). This implies that a significant number of informal workers (or those not working) have no income protection for common work-related risks, placing a higher burden on individuals and families to privately absorb such impacts.

### 2.2.1. Unemployment Benefits

There are no unemployment benefits (contributory or otherwise) in Georgia, leaving nearly 250,000 unemployed people without social security as they search for jobs. The only instance when the country implemented such a measure was during the COVID-19 pandemic (please refer to the section *COVID-19 Response Social Protection Temporary Schemes*), which lasted for six months. However, the absence of income maintenance schemes is perceived as a critical gap by workers. This became particularly apparent during the COVID-19 pandemic when a large share of informal workers was unable to benefit from the one-off financial assistance provided by the state for the legally employed workers.

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<sup>51</sup> The territory of Georgia is divided into a total of 69 municipalities of which five are self-governing cities. A region is not a self-governing unit. Its function is to coordinate communication between several municipalities (with the exception of the municipalities of Adjara and that of Tbilisi) and the central Government of Georgia through an officially designated State Commissioner appointed by the Prime Minister (informally known as the "governor").

In recent years, the Government of Georgia's policy efforts towards people of working age have been dominated by active labour market policies (ALMPs) with relatively little attention being paid towards expanding social protection for people of working age. This is evidenced by the abolishment of unemployment benefits in 2004—a core lifecycle benefit defined under ILO Convention No. 102. As underlined above, the unemployment rate in Georgia remains high, especially among the youth. The country also lacks sufficient data on the duration of unemployment to inform necessary measures, especially for addressing short-term unemployment income insecurities. Despite the willingness of the government to implement a comprehensive social protection system, in the context of structural unemployment resulting from a mismatch between skills and demand, it is challenging to finance such schemes. Unemployment benefits are critical to ensure workers have access to minimum income security; while, in the long term, ALMPs balance the supply and demand of work. Since the main obstacle to finding a job, as cited by jobseekers, is the lack of jobs, this means that unemployment benefits should be linked not only to conditions for taking up work but also to labour market policies focused on skills training.

### *2.2.2. Employment Injury*

The benefits for **employment injury protection** can be divided into three main categories: (i) cash benefits (e.g., disability pensions, survivor's pensions in case of a death of a household head, and other financial support); (ii) medical benefits (drugs, medical treatment and other short- and long-term health care); and (iii) rehabilitation benefits (including physical rehabilitation, re-training or career-change support). Considering the factors already mentioned, most of these means are absent in Georgia in the case of sickness and employment injury.

There is no mandatory employment injury insurance that could cover the cost of medical treatment and rehabilitation. The Law on Occupational Safety<sup>52</sup> requires only those employers in hazardous occupations to provide occupational accident insurance. The law applies to formally employed workers in both private and public sectors. The law mandates that an employee shall receive compensation under procedures established by the legislation of Georgia for occupational injury in a working area. An employer is also obliged to cover all expenses related to occupational safety, health, and hygiene. However, the enforceability of this law is challenging due to unavailability of specific regulation and administration mechanisms; for instance, the rules and procedures for accident insurance have not been adopted yet even though the Law on Occupational Safety mandates this. There are also no temporary disability monetary benefits in the likelihood of temporary disability during the period of employment.

Georgia has weak **employment injury provisions**. There are extremely limited protections in the case of occupational accidents and sickness. This excludes informally employed workers. The Government Decree N45 on the Procedure for Definition and Provision of Assistance for Compensation for Health Injuries Caused During the Performance of Labour Duties,<sup>53</sup> defines the scope of the very limited number of formally employed people who can benefit from the state funded scheme. The law mainly applies to a citizen of Georgia who was employed in an existing or liquidated enterprise with 100 per cent state-ownership who has officially been proven to have sustained an occupational injury before 1 January 2007 and who has a court-proven order for the provision of such benefit. The decree also

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<sup>52</sup> The Law on Occupational Safety. 2019. Retrieved from:

<https://matsne.gov.ge/ka/document/view/4486188?publication=1> (accessed on 15 August, 2023).

<sup>53</sup> Decree N45 on the Procedure for Definition and Provision of Assistance for Compensation for Health Injuries Caused During the Performance of Labour Duties. 2013. Retrieved from:

<https://matsne.gov.ge/ka/document/view/1862356?publication=0> (accessed on 25 July 2023).



defines the limited number of entities whose employees can be eligible for such benefits. The number of people that can fall under the scope of the decree is so limited that it does not provide any substantial indication of having a core lifecycle benefit as defined under ILO Convention No. 102. Compensating injuries resulting from work in the informal sector remains a challenge.

### *2.2.3. Disability benefits*

Beyond the limited benefits for occupational injuries for workers covered under the Law on Occupational Safety and the Governmental Decree N45, there are only very limited protections for occupational disabilities—excluding informally employed workers and medical and rehabilitation expenses—in the case of occupational accidents and sickness. The scope of the law only applies to people employed in the military, special state protection service and other law enforcement government entities.<sup>54</sup> The amount of the benefit varies from around GEL 200 to GEL 800. The administration and the regulations for provision of the benefits, including determination of the amount of the benefit, is undertaken by the MoIDPLHSA through Social Service Agency.

### *2.2.4. Maternity benefits/Paternity benefits*

**Legal coverage:** The Georgian Labour Code, and Georgian legislation more generally, does not recognize parental leave as a concept. Instead, the Labour Code provides special protection conditions for “pregnancy, childbirth and childcare”<sup>55</sup>, all components of which being counted under parental leave. In terms of employment protection, the Labour Code of Georgia specifies that employees have a right to parental leave for the care of a child during his/her first years of life, however these absences are not mandatory and must be agreed between employer and employee.

- **Parental leave aimed for childcare** that can be partially or fully used by both parents separately (parents do not have separate leave, but they are eligible to divide the provided days). The childcare-related leave consists of 604 calendar days; in the case of childbirth complications or twins, the number is 587 days. Although there is a long period of guaranteed parental leave, income protection is only provided for a short initial period. Out of the 604 days, only 57 are reimbursable. However, in the case of adoption of a child younger than a year, a parent is eligible to a parental leave for 550 calendar days out of which 90 days are reimbursable.
- **Maternity leave aimed for pregnancy and childbirth:** In addition to parental leave aimed for childcare, which only includes employment protection, the Labour Code specifies another special-purpose paid maternity leave - aimed for pregnancy, childbirth- of 126 days; in the case of pregnancy complication or twins this is 143 days. This kind of leave due to its nature, can only be taken by a woman.

In total, the duration of paid leave due to pregnancy, childbirth and childcare for both private and public employees amounts to 183 calendar days (126+57 days =183), in the case of complications of childbirth or the birth of twins it totals 200 calendar days (143+57=200).

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<sup>54</sup> The Law on the Social Support Provision for Servants and Families of Military, Law Enforcement Entities and Special Defense Services. 1996. Retrieved from:

<https://matsne.gov.ge/ka/document/view/33268?publication=28> (accessed on 1 August 2023).

<sup>55</sup> Labour Code of Georgia. 2010 (amended in 2020). Article 37. Retrieved from:

<https://matsne.gov.ge/ka/document/view/1155567?publication=24> (accessed on 20 July 2023).

In the Labour Code, the personal scope of this provision includes only formal employees, both private and public. All other types of workers in informal employment lack these employment protections and face the risk of losing employment during this vulnerable period.

There is limited income protection during maternity, particularly for private sector employees and public employees who are not civil servants.<sup>56</sup> A one-time tax-financed lump sum payment (covering 126 days at a flat rate) can be made for formally employed women (please see Section 2.3). The employer should apply to the Social Service Agency (SSA) to receive funds.<sup>57</sup>

Maternity benefit provisions are only applicable to those who are formally employed. It does not extend to women employed in the informal sector or to those who are self-employed or unemployed women. Over the last 10 years, the proportion of women in the labour force varied between 40 and 46 per cent of women (compared to 62-67 per cent of men).<sup>58</sup> Given these trends, only a third of women in the labour force are eligible for maternity leave.

The lower female labour participation is largely impaired by the challenges women face in combining work and family obligations. The latest time use survey for Georgia well reveals this trend, underlining that reproductive-age women in the 25–44 age group, spend 23.4 per cent of the day on activities that entail unpaid domestic and caregiving services.<sup>59</sup> Since there are no additional parental care allowances for childcare and given the lack of widely available and affordable childcare services especially for the 0-3 age group all of which is further exacerbated by discriminatory gender norms and unequal redistribution of unpaid care work between women and men - women are often left with no choice but to remain out of the labour market for the entire period for each child they have. This also illuminates the fact that the maternity and childcare systems are not fulfilling its function of allowing women to accommodate both childbearing and work.

### *2.2.5. Old-Age Benefits*

Georgia has a multitiered old age benefit system that currently consists of several pillars. The flat-rate tax financed pension, Pillar 1, is regulated by the Law on State Pension (2005)<sup>60</sup>; Pillar 2 is a contribution-funded pension that is regulated by the Law on Pension Savings Law (2018)<sup>61</sup>; and Pillar 3 is private contributory pensions regulated by the Law on Private Contributory Pensions (2023).<sup>62</sup> Pension Pillar 0 is administered by the Social Service Agency under the MoIDPLHSA. However, for Pillar 2 the Pension Savings Law established a Pension Savings Scheme (PSS) and mandated its application

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<sup>56</sup> These refer to public employees who, according to the Law on the Public Service (2015), fall under the definition of civil servant – a person who is appointed permanently in a civil service position at a government entity or at the autonomous republic, municipality, or legal entity under public law. In addition, as per the ILO Maternity Protection Convention No. 183 (2000), the maternity benefits should replace two thirds of income for at least 14 weeks. Only 57 days of parental leave is reimbursable. Average monthly salary in the country in 2022 as of National Statistics Office is GEL1591.8. Retrieved from:

<https://www.geostat.ge/en/modules/categories/39/wages> (accessed on 1 August 2023). This is equivalent to paying around 54 per cent of the average women’s income during the period as a lump sum.

<sup>57</sup> Labour Code of Georgia (Chapter VI). 2010. Retrieved from

<https://matsne.gov.ge/ka/document/view/1155567?publication=24> (accessed on 20 July 2023)

<sup>58</sup> GEOSTAT [Women-and-Men-in-georgia,-2020.pdf \(geostat.ge\)](#) (accessed 1 November 2023)

<sup>59</sup> Margarita F. Guerrero, (2022) [Time Use Survey in Georgia 2020-2021](#)

<sup>60</sup> The Law on State Pension. 2005. Retrieved from:

<https://matsne.gov.ge/ka/document/view/27946?publication=29> (accessed on 9 September 2023)

<sup>61</sup> The Law on Contributory Pension. 2018. Retrieved from

<https://matsne.gov.ge/ka/document/view/4280127?publication=6> (accessed on 9 September 2023).

<sup>62</sup> The Law on Private Contributory Pension. 2023. Retrieved from:

<https://matsne.gov.ge/ka/document/view/5841969?publication=0> (accessed on 9 September 2023 ).

on 1 January 2019; the scheme is administered by the Pension Agency (PA) which was established as a legal entity under public law on 15 August 2018. Regarding Pillar 3, there are four non-state pension schemes in the country, three of which are presented by insurance companies and one has been established by a legal entity for its own employees.<sup>63</sup>

**Pillar 1:** non-contributory, tax-financed universal pension scheme (**please see Section 2.3.6.**).

**Pillar 2** (contribution-funded pension pillar): The first voluntary-funded pension system in Georgia was established in 1998, but this received little consideration from both the public and business due to a lack of regulatory incentives (e.g., tax benefits).<sup>64</sup> Since 2019, the Government of Georgia started the first mandatory defined contribution (individual account) scheme to be implemented since the Soviet-era social insurance system was dismantled. The logic behind the reform was that due to the rapidly aging population, it would become challenging to maintain an adequate level of pension benefits through a “pay-as-you-go” system. The expectation is that the pension system will increase the replacement rate and spare a significant amount of the state budget in the future (as the pension rate will not depend solely on the state budget).

This pillar entails contributions to be paid in equal shares by employers and employees that are complemented by matching amounts provided by the government. Employees contribute 2 per cent of their pre-tax salary, their employers contribute another 2 per cent of the employee’s pre-tax salary, and the government contributes an amount equal to 2 per cent of the employee’s pre-tax salary. This is when an employee’s salary is less than GEL 24,000 per year. However, the government contributes only 1 per cent; when an employee’s salary is more than GEL 24,000 and less than GEL 60,000; with incomes above GEL 60,000 no matching contributions are paid<sup>65</sup> (please the Table 1). This is allocated to individual pension accounts on a monthly basis.

Table 1: Contribution to Pillar 2 Old-age Pension Scheme				
Amount of Salary and/or self-employment income (GEL)	Employer Contribution (%)	Employee Contribution (%)	State Contribution (%)	Total (%)
> 24,001	2	2	2	6
< 24,000 - > 60, 000	2	2	1	5
< 60,000	2	2	0	4

The savings in these accounts can only be accessed when an individual reaches retirement age, although exceptions are made under certain predefined conditions.<sup>66</sup> The conditions under which early payouts are possible are as follows:

- ✓ Through programmed withdrawals that entail the division of the total sum of the accumulated pension by average life expectancy and receiving it in the form of a monthly pension.

<sup>63</sup> Insurance State Supervision Service. 2023. *Non-state Pension Schemes*. Retrieved from: <https://www.insurance.gov.ge/en/page/Pension-scheme> (accessed on 9 September 2023).

<sup>64</sup> Urotadze, J. 2018. *Pension Policy of Georgia and International Experience*. Tbilisi: Publishing of Ivane Javakhishvili Tbilisi State University.

<sup>65</sup> Ibid.

<sup>66</sup> The Law on Contributory Pension. 2018. Retrieved from <https://matsne.gov.ge/en/document/view/4280127?publication=0> (accessed on 5 August 2023).

- ✓ By purchasing an annuity insurance product with the pension assets accumulated in an individual pension account. This infers enrolment in a private pension insurance and the receipt of a pension for the rest of the individual's life.
- ✓ Through a lump sum payment of the total amount. Withdrawal by this method is only possible if the person joined the pension scheme not more than five years before retirement age, or if the participant is granted the status of a person with disabilities, or if the participant leaves Georgia and presents a duly certified document demonstrating their legal, permanent residence in another country.

Enrolment in the contributory pension scheme is partly obligatory. Employees were automatically enrolled in the system when the scheme launched but they have the option to opt out if they reached the age of 40 before the enactment of the law on 6 August 2018. The scheme is thus mandatory for all persons aged under 40 before its enactment and is voluntary for all persons over 40 years as well as for the self-employed.

Since the transfer values of this scheme are contribution-based, this will mean that women's pensions will mirror both their fewer years of service in the labour market and their lower earnings. The labour participation rate for men in the last 10 years fluctuated between 62-67 per cent while the rate for women from 40-46 per cent. Gender differences in wages are also significant: women earn less than two-thirds of men's average monthly salaries in the country.<sup>67</sup> Moreover, because women tend to retire earlier but live longer than men, this means that they will have to rely on smaller savings to finance longer periods of retirement, putting in jeopardy the basic adequacy of their monthly payments. In this context, the adequacy of the pension will become much more important. As of January 2022, 68 per cent of people in retirement age are women, and that figure will remain high. Therefore, it is important that the pension reforms specifically help to address old-age poverty among women while providing new sources of retirement income.

**Pillar 3** (voluntary private pension pillar): This pillar involves voluntary contributions to private pension funds. However, these are underdeveloped in Georgia and such coverage does not exceed 1 per cent of the workforce. Despite special tax benefits for the voluntary pension pillar, regulations are not well developed and so coverage remains low.<sup>68</sup>

### 2.3 Overview of Non-Contributory Social Protection Schemes

Non-contributory schemes in Georgia are available to both individuals and households regardless of any prior financial contributions. Non-Contributory Social Protection Schemes include different support and assistance programmes for various vulnerable groups of people, including the elderly, persons with disabilities (including children), households under the poverty line, orphans and other vulnerable groups. They are predominantly tax financed and administered by the Social Service Agency under the MoIDPLHSA. Different social assistance programmes also exist on municipal levels that mainly take the form of categorical benefits (e.g., utilities and transport subsidies, education fee waivers, disability- and health-related benefits). However, these benefits are not discussed in this report.

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<sup>67</sup> GeoStat 2022. Men and Women in Georgia. Retrieved from: [https://www.geostat.ge/media/51156/Women\\_And\\_Men\\_In\\_Georgia\\_2022\\_ENG.PDF](https://www.geostat.ge/media/51156/Women_And_Men_In_Georgia_2022_ENG.PDF) (accessed on 10 July 2023).

<sup>68</sup> Urotadze J. 2020. *Challenges of Georgia's Pension System*. Iv. Javakhishvili Tbilisi State University, Georgia.

### 2.3.1. Targeted Social Assistance Programme (TSA)

The TSA is the second largest programme (after state pensions, Pillar 1) to come under the social protection budget and is the third largest expenditure item among total social spending in Georgia after social pensions and education. Launched in 2006, the TSA programme is considered a formal, last-resort “safety net” programme and as a partial solution to the government’s long-term objective of covering all families living below the national lower poverty line and thereby considered “vulnerable”. It is a means-tested, non-contributory regular cash transfer programme designed to be both protective and preventative—with an emphasis on enhancing the socio-economic conditions of the families living in chronic poverty and preventing a further decline of living standards and deprivation.<sup>69</sup> Since its introduction, many categorical benefits (e.g., the family allowance) have been phased out and gradually replaced by TSA.

The TSA programme targets people living in poverty using a proxy-means testing (PMT) formula introduced in 2006 with the aim of increasing the efficiency of social assistance spending. The PMT<sup>70</sup> mechanism was chosen as being suitable for the country as the income from formal sources has been a less accurate indicator of household welfare. The PMT formula generates a household score (welfare index) that represents an estimate of a household’s welfare: the higher the score, the better the estimated living standards. However, unlike other PMTs, it predicts monthly household consumption rather than per capita household consumption using the “needs index” to adjust for economies scale in the household and the needs of special groups. The formula then is re-scaled to calculate the final score, called the Household Rating Score or Vulnerability Score. The existing PMT formula is also used for other purposes such as for the definition of eligibility to local benefits for socio-economically vulnerable households that are administered by municipalities (e.g., utilities and transport subsidies, free meals, education fee waivers, and disability- and health-related benefits).

With respect to receiving the TSA benefit, any adult representative of a family can apply for their household, and households can designate an adult to receive the transfer into his or her account. The data from the SSA suggest that by the fourth quarter (Q4) of 2023, 54.9 per cent (356 888) of recipients were women, compared with 45.1 per cent (293 587) of men.

A major reform of the TSA programme occurred in 2015. In order to increase its effectiveness, the government revised the PMT formula so that it captured more objective information to measure the income and assets of households, introducing a scheme of differentiated levels of benefits for the TSA, and introduced a Child Benefit Programme that is administered together with the TSA (please refer to the next section). As of Q4 2023, the number of households who are registered in the database of socially vulnerable families was 374,435 (1,202,147 individuals) or 35.1 per cent of all households, equivalent to 32.2 per cent of the population; of which, 661,305 people, equivalent to 17.7 per cent of overall population, received TSA benefits.<sup>71</sup>

Currently, the MoIDPLHSA is in the process of again revising the PMT model in order to minimize inclusion and exclusion errors and in anticipation of the changing economy and structural modifications in living conditions occurring since 2013 (the year of the data used to estimate the existing PMT model). The need for adjustment of the model was also triggered by a deterioration of

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<sup>69</sup> Government Decree N145 on Targeted Social Assistance. 2006. Retrieved from:

<https://matsne.gov.ge/ka/document/view/10276?publication=0> (accessed on 15 July 2023).

<sup>70</sup> The PMT is estimated in a standard way: it uses Ordinary Least Squares regressions and a various set of predictors comprising socio-demographic and location variables, ownership of durables, and productive assets.

<sup>71</sup> Social Service Agency. 2023. Available from:

<https://ssa.moh.gov.ge/statistik.php?lang=1&id=202212070000144333422303&v=0#page-1>

both the design and implementation features of TSA mainly related to the scoring PMT formula.<sup>72</sup> As per the World Bank's simulations conducted in 2019, using the HIES data of 2018, the actual coverage of the bottom quintile stood at 36 per cent (down from 46 per cent in 2013) and the benefit incidence in the poorest quintile was 70 in 2018 (75 per cent in 2013).<sup>73</sup> The new targeting methodology is under a testing phase. Following analysis and necessary readjustments, the development of the new model is expected in 2024.

### 2.3.2. Child Benefits

Overall, the main social protection income transfers that are paid on a per-child basis in Georgia include three major dimensions:

1. The means-tested benefits paid within the TSA
2. Disability benefits
3. Geographically targeted child benefits<sup>74</sup>
4. Benefits for third and subsequent child
5. Survivors' (social) benefit and (state) pension.

Children are significantly more likely than other age groups to live in poverty in Georgia. Although absolute (monetary) child poverty has decreased from 49 per cent in 2009 to 20.4 per cent in 2022 (it stood at 24.1 per cent in 2015 when the CBP was introduced)<sup>75</sup> the share of children aged 0-17 living below the absolute poverty line still is higher compared with working-age people (15.3 per cent) and people above retirement age (10.5 per cent).<sup>76</sup> Recognizing that a significant number of children in Georgia come from families with insecure incomes and face living conditions that are not favourable for child development, the Government of Georgia has embraced the need for child-sensitive social protection through the introduction of a child-specific benefit—the Child Benefit Programme (CBP) since 2015. The programme is administered together with the TSA. However, as a specific amount in the CBP corresponds to individual children it could be considered individual benefits under a lifecycle provision. However, under the logic of a poverty-targeted approach, benefits for children are embedded within the poverty-targeted TSA programme (since the programme is limited to families within the poverty targeted TSA), and there is no universal entitlement to child benefits in the country.

In the past few years, the Government of Georgia has substantially increased the level of transfers and the scope of the child benefit programme, which covers around 29 per cent of all children under the age of 16 in the country as of 2023.<sup>77</sup> When it first started the cash benefit amounted 10 GEL to be paid monthly on a per-child basis.<sup>78</sup> Today, the CBP component is a per-child transfer of 200 GEL per month, paid as a top-up to the base household transfer value from GEL 60 (equivalent to \$23) to GEL 30 (\$11) (depending on PMT scoring) per month. From July 2023, families whose score is below

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<sup>72</sup> Honorati, M., Sormani, R. C., & Carraro, L. 2020. Assessing the Targeting System in Georgia: Proposed Reform Options. World Bank.

<sup>73</sup> Honorati, M., Sormani, R. C., Carraro, L. 2020. Assessing the Targeting System in Georgia: Proposed Reform Options. World Bank Group.

<sup>74</sup> In the framework of the Law of Georgia on the Development of High Mountainous Regions

<sup>75</sup> GeoStat. 2023. Poverty. Absolute Poverty. Retrieved from: <https://www.geostat.ge/en/modules/categories/192/living-conditions> (accessed 17 July 2023).

<sup>76</sup> GeoStat. 2023. Poverty. Absolute Poverty. Retrieved from: <https://www.geostat.ge/en/modules/categories/192/living-conditions> (accessed 17 July 2023).

<sup>77</sup> Social Service Agency. 2023. Statistics. Available from <https://ssa.moh.gov.ge/statistik.php?lang=1&id=202212070000144333422303&v=#page-1>

<sup>78</sup> Based on the data of Social Service Agency of Georgia.

120,001 receive a monthly allowance of 200 GEL per child below 16 years of age, thereby benefiting around 232,000 children nationwide.<sup>79</sup>

Although the CBP is aimed at poor families with children, it is still missing a significant number of children who are vulnerable. Despite the government’s commitment to improving the targeting system, UNICEF’s analysis suggests that the CBP is failing to reach the most vulnerable children due to a design issue. Almost half of children (47 per cent) living in material and social deprivation,<sup>80</sup> are left out of the programme, allegedly due their households being above the poverty threshold. The SSA data reveal a number of other patterns related to children’s access to the CBP, including: (i) children in rural areas are more likely to receive the benefit: 25 per cent of children in rural areas receive the CBP, versus just 19 per cent in urban areas; and (ii) there is a small gender gap in the receipt of the benefits among children: 22.8 per cent of girls receive the benefit, versus 24.9 per cent of boys.<sup>81</sup>

In 2019, the Government of Georgia adopted The Code on the Rights of the Child with the purpose of ensuring the welfare of the child. The code also provides for the protection of children living in difficult life circumstances. At present, there is no legal or political commitment specifically recognizing children’s universal right to income security, leaving a significant number of vulnerable children without coverage. However, Georgia offers **universal, tax-financed, disability benefits to children** (disability benefits are discussed further below). Furthermore, as of 2023, the disability benefit amount has been increased from GEL 70 (around \$27) in 2012 and is now set at the flat rate of GEL 340 (around \$130) per month, regardless of the child’s degree of disability. The benefit is aimed at compensating the extra cost of raising a child with a disability. As of 2023, around 3 per cent of the population have the official status of a person with disabilities (PWD)<sup>82</sup> out of which 1.4 per cent are children.<sup>83</sup> Although these benefits are effectively reaching those who are assessed as disabled, a lack of knowledge about the true size of the disabled child population means it is difficult to ascertain how many children, who might legitimately qualify for these benefits, are not covered—whether due to a lack of knowledge regarding their rights or other barriers to access.<sup>84</sup> However, recent evidence indicates that Persons with Disabilities face extra costs related to disability (a variety of expenditures for goods and services that are needed to enable Persons with Disabilities to participate equally in society). These depend on there being different categories of needs for different disabilities. Because the current system provides uniform support, its does not capture or meet these diverse needs.<sup>85</sup>

Table 2. Targeted Social Assistance and the Child Benefit Programme Benefits by PMT score		
PMT score	TSA	CBP
>30,001 points	GEL 60 per household member (including children aged 0–15)	

<sup>79</sup> Social Service Agency. 2023. Statistics. Available from <https://ssa.moh.gov.ge/statistik.php?lang=1&id=202212070000144333422303&v=#page-1>

<sup>80</sup> UNICEF. 2023. Child Wellbeing in Georgia.

<sup>81</sup> Data of Social Service Agency. 2023.

<sup>82</sup> Currently, Georgia uses a medical model of examination for definition of disability status, ignoring a more comprehensive assessment of social needs and function. Such an approach likely underestimates the disability levels and affects the policies developed.

<sup>83</sup> Data of Social Service Agency. 2023.

<sup>84</sup> GeoWel Research. 2014. Baseline Study for World Vision Georgia: Caucasus Sub-Regional Social Inclusion of Children with Disabilities Project. Tbilisi. Retrieved from: [https://www.wvi.org/sites/default/files/Social\\_Inclusion\\_optimized.pdf](https://www.wvi.org/sites/default/files/Social_Inclusion_optimized.pdf) (accessed on 12 August 2023)

<sup>85</sup> UNICEF. 2023. The Cost of Raising a Child with Disabilities in Georgia. <https://www.unicef.org/georgia/media/8421/file/The%20Cost%20of%20Raising%20a%20Child%20with%20Disabilities%20in%20Georgia.pdf> (accessed on 27 October 2023)

30,001–57,000 points	GEL 50 per household member (including children aged 0–15)	GEL 200 per child aged 0-15
57,001–60,000 points	GEL 40 per household member (including children aged 0–15)	
60,001–65,000 points	GEL 30 per household member (including children aged 0–15)	
65,00 - 120,000 points	None	

There also exists two types of universal child benefits that is geographically targeted or provided for the third or subsequent newborn child. These benefits can be provided regardless of their participation in other benefits. Eligibility for the programme applies to (i) those permanently living in a mountainous area (as defined by the Law of Development of Mountainous Areas of Georgia) and/or (ii) to those who have had a third or subsequent child and who are officially registered as residing in the regions of Georgia that, as per the definition of the Georgian National Statistics Office, have not had positive demographic outcomes a year or two prior the birth of the child. One beneficiary can receive benefits from both categories if eligible. The cash transfer for families from the first category is GEL 200 monthly (around \$77), and for families from the second category those living in mountainous region receive GEL 200 per child and those living in non-mountainous regions receive GEL 150 (around \$57). The benefit is valid provided until a child turns 2 years of age.

The first benefit package applies to a significant number of residential units in the 11 regions of Georgia (excluding the capital), including 1,796 villages and towns. The second benefit is aimed at third and subsequent children, as of 2023, applies to nine regions of Georgia. Considering the downward trend of the birthrate in Tbilisi,<sup>86</sup> where almost a third (33 per cent) of the Georgian population lives, the capital of Georgia could also be added to the regions covered under the second package from 2024. Under this framework, these benefits can be considered as forms of quasi-universal social protection. The objective for these benefits is to improve the demographic situation in the country by promoting an increased number of births.<sup>87</sup>

**Other benefits** are provided on a universal basis to children who fall into the **categories** of single and double orphans.<sup>88</sup> Children are also eligible to receive survivors' protection upon the death of one or two breadwinners. This particular benefit mainly applies to children of servants of the law enforcement bodies of Georgia, the courts, parliamentarians, people with political positions, etc.<sup>89</sup> The latter benefits also apply to other adult family members, for instance, in the case of the death of a spouse who served in the listed job occupations and is related to the associated loss of that spouse's income (Georgian legislation does not recognize civil union).

### 2.3.3. *Sickness benefits*

All formally employed persons, from both private and public sectors are entitled to receive non-contributory social assistance **sickness benefits** in cash in amounts of up to 100 per cent of their

<sup>86</sup> GeoStat. 2023. Births. Retrieved from: <https://www.geostat.ge/en/modules/categories/319/births> (accessed on 12 August 2023).

<sup>87</sup> Social Service Agency. 2023. Description of the Programme. Retrieved from: <https://ssa.moh.gov.ge/main.php?lang=1&id=202212140241511834414496> and <https://ssa.moh.gov.ge/main.php?lang=1&id=202212140243166068712584> n

<sup>88</sup> Decree of Government of Georgia N279 on Definition of Social Package. 2012. Retrieved from: <https://matsne.gov.ge/ka/document/view/1707671?publication=0> (accessed on 12 August 2023).

<sup>89</sup> Parliament of Georgia. 2005. Law on State Pension and State Academic Pension. Retrieved from: <https://matsne.gov.ge/ka/document/view/25432?publication=66> (accessed on 20 July 2023).



previous salary for up to 30 days (in the case of an unspecified salary in a contract or remuneration based on earned wage, the average amount of the last three months' payments are taken).<sup>90</sup> The employer pays these benefits directly to the employee. Therefore, employers bear the whole burden for sickness benefit and are not compensated from public funds. In case of workplace injury compensation, if the employer's responsibility is proven in court; the court also defines the amount of compensation. In the case of public employees, the compensation is provided from the state budget. The condition for receiving these benefits is that the employee should undergo a "temporary sickness examination" and present a hospital certificate confirming their illness. Employees are entitled to these benefits after 11 months of service. There is also a paid sickness/temporary disability leave for formally employed workers that extends up to 40 days for a single leave period, and up to 60 days across a calendar year.

There is no non-contributory benefit to cover people excluded from this legal scope, meaning that just over half of the employed population are eligible. This gap in coverage took on a new meaning during the pandemic. Nevertheless, the scheme covers not only paid sick leave (of not more than 40 days sequentially and not more than 60 days in the last six months<sup>91</sup>) but also paid leave for a number of care duties (not more than 24 days granted after 11 months of service<sup>92</sup>). Moreover, the benefit rate of 100 per cent of the average monthly salary can also be considered relatively high and meets ILO standards.

#### *2.3.4. Maternity Benefits*

Maternity protection in Georgia has a complex arrangement (described above). The legislation does not guarantee universal legal coverage of maternity benefits. The current system of maternity benefits only covers working mothers, and its provisions are heavily skewed towards women who are employed in the public sector. This refers to civil servants and teachers employed in public schools who can enjoy non-contributory, paid maternity/parental leave of 183 calendar days, in the case of complications of childbirth or the birth of twins it totals 200 calendar days. Maternity income support is not extended to non-working mothers, who thus lack a social protection floor for maternity protection.

A paid maternity leave benefit is provided as a one-time, state-funded maternity benefit (covering 126 days at a flat rate) for formally employed women, with the proof of pregnancy (or adoption) is reimbursed from the state budget of Georgia. The amount should not exceed GEL 2,000.<sup>93</sup> Civil servants receives maternity leave compensation from the budget of the public institution employer in the amount equal to their monthly salary paid either monthly or as a lump sum equivalent to 183 calendar days, but in the case of complications with childbirth or the birth of twins it is 200 calendar

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<sup>90</sup> The Decree of MoIDPLHSA No. 87 on the Procedure for the Calculation and Provision of Assistance due to Temporary Incapacity at Work. 2009. Retrieved from: <https://matsne.gov.ge/ka/document/view/82384?publication=0> (accessed on 11 August 2023).

<sup>91</sup> Labour Code of Georgia. 2010. Retrieved from: <https://matsne.gov.ge/ka/document/view/1155567?publication=24> (accessed on 11 August, 2023).

<sup>92</sup> Ibid.

<sup>93</sup> Before 1 January 2023, the lump sum benefit for a mother employed in the public sector in amounted to GEL 1,000. Source: MoIDPLHSA. 27 December 2023. Retrieved from: <https://moh.gov.ge/ka/news/7251/> (accessed on 20 July 2023).

days.<sup>94</sup> The objective of this benefit is to provide partial compensation for expenses associated with raising a child.

The legal division of “pregnancy, delivery and childcare leaves” (as it is featured in Georgian legislation) hides the condition when income support only covers the small period during which childcare obligations are incompatible with full-time labour market participation. Furthermore, the duration of leave as well as the value of the wage replacement also varies between private and public employees, favouring public employees. Although there are some positive steps that emphasize that there is a social protection floor for maternity in Georgia, the monetary value is still too low to enable women’s economic opportunities and to facilitate balance between care and labour that could also be conducive to increasing fertility levels, which is important considering the aging demographic dynamics in the country. Moreover, the challenges in terms of availability and accessibility to childcare services means that the maternity system is falling behind in fulfilling its function of allowing women to accommodate both childbearing and work.<sup>95</sup>

### 2.3.5. Disability Benefits

The Government of Georgia provides cash benefits on a universal basis to all those who are officially recognized as having different categories of disabilities (as divided into three different categories of severity—severe, significant, and moderate). This also includes those residing in state-run institutions. From January 2023, the monthly cash benefits for those with severe disabilities amount to GEL 340 (around \$130); GEL 175 (around \$67) for significant disabilities, and GEL 135 (around \$52) for moderate disabilities. It should be also underlined that from 2023, the government applies indexation measures to the benefits to protect them from eroding the benefit’s real value. The indexation is calculated using the sum of 80 per cent of the average inflation rate of the last 12 months and the average of the real growth rates of the gross domestic product (GDP) over the last 6 quarters, which should not exceed GEL 25 for the benefit package of a person with severe disabilities or children with disabilities. For the other categories, the indexation is calculated in the same way with the maximum amount being GEL 20. According to administrative data, 110,424 people received general disability (state) benefits in 2023. The disability social package is differentiated by degree of disability (as defined by three categories of severity).

The government also provides social and rehabilitation services to persons with disabilities since the challenges faced by them are partially triggered by an absence of suitable services to address their different needs and to enable them to fully participate in economic and social activities. Although some assistive technologies are provided by the government, they still face high costs for specialized services and assistive devices, especially for children with disabilities.<sup>96</sup> As persons with disabilities are considered a “vulnerable group” in the government’s list of poor, vulnerable and special categories, persons with disabilities are eligible for healthcare under the UHCP. The TSA programme also factors in persons with disabilities, thus providing better chances to families with persons with disabilities to receive increased cash support from the state. Subsidies in the form of vouchers are also provided by

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<sup>94</sup> Civil servants and teachers employed in public schools are an exception to this and are entitled to six-months of tax-financed paid leave at full salary (employer-based defined benefits as related to the length-of service or seniority) and a year-and-a-half unpaid leave with guaranteed job protection. Law of Georgia on Public Service. 1997. Article 41<sup>1</sup> Retrieved from: <https://matsne.gov.ge/en/document/view/28312?publication=108> (accessed on 20 July 2023).

<sup>95</sup> Asian Development Bank. 2023. *Investments in childcare for gender equality in Asia and the Pacific*, Manila: Asian Development Bank. Retrieved from: <https://www.adb.org/publications/investments-childcare-gender-equality-asia-pacific> (accessed on 10 August 2023).

<sup>96</sup> UNICEF. 2023. *The Cost of Raising a Child with Disabilities in Georgia*. Tbilisi, Georgia.

the government for rehabilitation services and assistive devices, although the responsibility of providing said services largely falls on NGOs that are generally financed by the government through the voucher system.

Generally, the weak legal framework makes it difficult to determine the size of the legally covered population, actual need, and the adequacy of compensation. Since the ratification of the Convention on the Rights of the Persons with Disabilities in 2014, the government started developing special assessment tools for disability that is based on biopsychosocial model. After piloting and evaluation of results, the model will replace the outdated “medical” model that is currently in practice. This would considerably increase the number of potential beneficiaries of the scheme.

### *2.3.6. Old-Age Benefits*

Georgia has a tax-financed universal pension that was established in 1995. Until 2004, state pensions were financed by the State United Social Insurance Fund (SUSIF) based on the social contributions of the employer and employee. However, following major reforms in the social protection system in the country, since 2004 the scheme became financed from general budget revenues. The universal old-age pension scheme is based on the Law on State Pensions that defines the eligibility to this pension pillar. According to the law, all citizens of Georgia, stateless persons in Georgia, foreign nationals living permanently (at least 10 years of residency) in Georgia and foreign nationals with dual citizenship, over the age of 60 (women) or 65 (men), excluding those few who receive a State Compensation benefit, can count on a universal old-age pension to provide a basic guaranteed income in old age. It is also guaranteed to stateless persons. The universal pension pillar is not based on proportional contributions or the number of years participating in the tax system but rather is guaranteed to everyone when they reach pensionable age (65 for men and 60 for women). An early retirement option for pensioners is not available other than for some Special Pension categories (e.g., former military, policeman, etc.).

Georgia’s universal pension system has been recognized for its universal outreach, effective targeting, and well-organized administration. The old-age benefit is a de facto social protection floor for all retirees in the country. The universal social pension provides a basic income security “floor” helping to prevent older persons from falling into poverty. Since almost 60 per cent of households have at least one pensioner<sup>97</sup> the universal pension has wide reach, and the scheme acts as an important buffer against poverty. As per UNICEF’s latest study, evidence suggests that once one family member starts receiving a pension the household income rises by over 30 per cent, leading to a 4 per cent decreased risk of poverty.<sup>98</sup> It also accounted for 29 per cent of the reduction in child poverty, while the flagship TSA programme accounted for only 20 per cent of the reduction.<sup>99</sup> The ESCAP SPOT Simulator also indicates that the existing old age benefit decreases poverty at the national poverty line by up to 19 per cent.<sup>100</sup>

However, the scheme does not guarantee adequate living standards, but rather only provides a basic income equivalent to \$2.55 per day (\$2.90 for those above the age of 70)—which suggests that the

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<sup>97</sup> GeoStat 2022. Social Protection. Retrieved from: <https://www.geostat.ge/en/modules/categories/55/social-protection> (accessed on 10 August 2023).

<sup>98</sup> Gugushvili, D., & Nestour L., A., 2019. A Detailed Analysis of Targeted Social Assistance and Child Poverty and Simulations of the Poverty-Reducing Effects of Social Transfers, UNICEF, Tbilisi. Georgia.

<sup>99</sup> Kidd, S. & Gelders, B. 2015. Child Wellbeing and Social Security in Georgia: The case for moving to a more inclusive national social security system. Tbilisi: UNICEF. Retrieved from: [https://www.developmentpathways.co.uk/wp-content/uploads/2018/06/UNICEF\\_Child\\_Wellbeing\\_ENG\\_.pdf](https://www.developmentpathways.co.uk/wp-content/uploads/2018/06/UNICEF_Child_Wellbeing_ENG_.pdf)

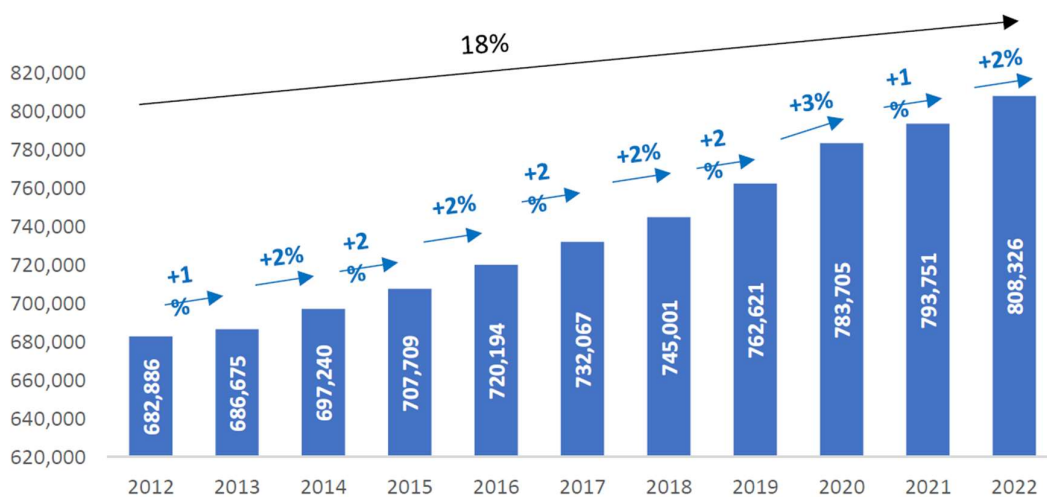
<sup>100</sup> <https://spot.unescap.org/simulator>

pillar is not an adequate social protection tool for the elderly. The value of this benefit is a flat rate, currently equal to GEL 295 per month (around \$100) for retirees up to the age of 70, and GEL 365 (around \$140) for those above 70 years of age. There are also some other variations in terms of benefit provision for different categories of retirees. For instance, the Law on the Development of High Mountainous Regions, legislates an additional 20 per cent addition to the universal pension for persons living in the in mountainous regions of Georgia.

Recent data suggest that women are the largest group of recipients, constituting 71 per cent of all universal pension beneficiaries in 2022. Women's life expectancy in Georgia is higher (78.2 years) than men's (69.7 years), which implies that women's reliance on the pension system is also higher than men's—on average, women live 17.2 years on a pension and men live 3.6 years. After reaching retirement age, people with disabilities may choose to retain their disability benefit or switch to the old-age pension. Most opt for the latter as it is larger.

In 2019, the Parliament amended the law to link the universal pension to the inflation rate in the country to help alleviate poverty at fiscally affordable levels. As the value is indexed, the purchasing power of pensioners remains stable, and ad-hoc increases to the pension amount are eliminated. Currently, old-age pensions are the largest component of social protection expenditure, accounting for almost 70 per cent of the cumulative budgetary expenses for social protection from the state's budget in 2023.<sup>101</sup> It should be noted that from 2012 to 2022 the number of recipients of universal old-age pensions increased by 125,444 (18.3 per cent) (please refer to Diagram 1: Number of Recipients of Universal Pension in Georgia in 2012-2022), while the overall state budget spending increased from 16 to 19 per cent (by GEL 1.817 billion), reaching 21% of overall budget spending in 2023. This is predicted to exceed 30 per cent of overall budget spending by 2060.<sup>102</sup>

**Figure 2.2:** Number of Recipients of Universal Pension in Georgia in 2012-2022



There are **additional state compensation and state academic compensation schemes** that provide social security guarantees for citizens who have special merit before the state (mainly military

<sup>101</sup> State Budget of Georgia 2023. Budget Programme code 27 02. Retrieved from: <https://www.mof.ge/5603> (accessed on 11 August 2023).

<sup>102</sup> Kukava. M., Sagharashvili. M., Jamurashvili. L. et. al. 2023. *The Future of Georgian Pension Reform*. Retrieved from: [https://idfi.ge/ge/future\\_of\\_the\\_georgian\\_pension\\_reform](https://idfi.ge/ge/future_of_the_georgian_pension_reform) (accessed on 9 September 2023).

pensioners, former employees of the Ministry of Justice, former members and staff of Parliament, former civil aviation workers, judges, and diplomats). The compensation is provided when such persons reach pensionable age or attain disability status, as regulated by the Law on the State Pensions and the Law on State Compensation and State Academic Stipends. If an eligible person is the sole earner of a family and he/she dies, the compensation is then paid to their family. The amount of this compensation varies depending on the occupation and number of years in service.

#### 2.4. Temporary COVID-19 Response Social Protection Schemes

The Georgian system demonstrated great political willingness and capacity to adapt to the COVID-19 pandemic-related shock. The Government of Georgia reacted quickly to the COVID-19 pandemic with multiple social protection support packages. In April 2020, the government introduced an anti-crisis plan amid a deteriorating economic situation in the country, pledging GEL 3.50 billion (\$1.3 billion) for crisis management, of which GEL 1.35 billion was aimed at targeted financial support to citizens, GEL 2.10 billion was directed to support the economy and entrepreneurs, and GEL 350 million for financing COVID-19-specific health care needs.<sup>103</sup> However, the support mostly consisted of one-off transfers to existing beneficiaries because existing programmes were unable to expand horizontally. Beyond this, the government also introduced tax cuts for households, specifically income taxes (employers in Georgia pay 20 per cent income tax) for a duration of six months for salaries.<sup>104</sup> through the government’s swift response, social assistance system was able to rapidly support existing beneficiaries but was unable to expand social assistance support to the newly poor and vulnerable.

The lessons from the COVID-19 pandemic draw attention to the need to build flexibility into the social protection system, particularly the social assistance system, to enable it to expand coverage to additional poor households during periods of crisis and in response to shocks.

The full list of social protection measures are provided in the Table 3, below.

	<b>Emergency Scheme</b>	<b>Amount (GEL million)</b>	<b>Beneficiaries covered (thousand)</b>	<b>Description</b>
1	Unemployment Assistance Benefit	460	350	The scheme was aimed at formal employees who could prove at least six months formal remuneration transferred to their accounts. The benefit amounted GEL 200 (around \$76) monthly for a six-month period.
2	Wage Subsidy	250	100	Salaries under GEL 750 were exempt from income tax for six months.
3	TSA	50	190	Some 70,000 households (around 190,000 people) whose score was 65,000–100,000 under the TSA received an additional benefit based on the number of family members: 70 GEL for a one-member family, 90 GEL

<sup>103</sup> Civil.ge. 2020. *Prime Minister Gakharia Unveils Anti-Crisis Plan to Mitigate Coronavirus Fallout*. Retrieved from: <https://civil.ge/archives/348469> (accessed on 11 August 2023).

<sup>104</sup> Georgia Today. 2020. *Georgia’s Anti-Crisis Economic Plan*. Retrieved from: [georgiatoday.ge/news/21249/Georgia’s-Anti-Crisis-Economic-Plan](https://georgiatoday.ge/news/21249/Georgia’s-Anti-Crisis-Economic-Plan) (accessed on 11 August 2023).

				for a two-member family, and 35 GEL was added for every additional member. The assistance was given for a six-month period in two instalments.
4	CBP	13	130	Some 22,000 households (around 130,000 people) with TSA scores lower than 100,000 and those with three or more children under age 16 received an additional GEL 100 per household for six months in two instalments.
5	Disability Benefit	25	40	Persons with severe disabilities and children with disabilities received a direct transfer of GEL 200 monthly for up to a six-month period in two instalments.
6	Child Subsidy	170	800	GEL 200 was provided once to all citizens aged under 18 years.
7	Tuition Fees for Vulnerable Students	35	33	A tuition fee subsidy for students from vulnerable families (with a TSA score below 150,000) to cover one semester of tuition fees (GEL 1,125) at a Georgian university.
8	Agriculture Subsidy	50	200	Farmers were provided GEL 200 per registered hectare, plus other benefits, such as free diesel fuel as a one time payment.
9	Utility Subsidy (2020)	170	1,200	This includes a three-month subsidy for electricity (households who use less than 200 kilowatts per month) and gas (households who use less than 200 cubic meters per month), as well related to cleaning and water fees.

## Chapter 3: Extending social protection carries great impact

Extending social protection can significantly reduce poverty and inequality, whilst boosting consumption. Doing so is a wise investment, particularly when compared to the cost of leaving people and families to deal with daily life contingencies and risks on their own. To provide countries in the Asian and Pacific region with an evidence base of these impacts and required investments, ESCAP has developed a social protection simulation model based on the latest available national income and expenditure surveys for 25 countries. For Georgia, simulations are based on the Household Incomes and Expenditures Survey (HIES) from 2021.

The Simulator provides estimations of four life cycle non-contributory social protection schemes, namely child, disability, maternity benefits and old-age pensions. Policymakers and other users can adjust parameters such as benefit and coverage levels as well as administrative costs of the schemes. Results from these simulations can be analysed by rural-urban disaggregation, different family constellations and by total household expenditures per capita deciles (referred to in this report as “income deciles”). The Simulator also illustrates exclusion and inclusion errors resulting from proxy means testing and positions social protection expenditure against other existing public budgetary streams.

Social protection benefits that leave no child, persons with disabilities, mothers of newborns or older persons behind could act as a bulwark against poverty and inequality, while significantly boost consumption levels. Simulations were conducted using benefit levels outlined below and are based on universal basic and advanced benefits (table 3.1).

**Table 3.1: Non-contributory benefit levels used in the simulation**

		Existing benefit <sup>105</sup>	Basic benefit	Advanced benefit
<b>Child Benefit</b>	<i>Monthly Transfer in GEL (PPP USD)</i>	200 (poverty-targeted)	74 (\$62 PPP)	74 (\$62 PPP)
	<i>GDP per capita per annum</i>	<b>11%</b>	<b>4%</b>	<b>4%</b>
<b>Disability Benefit</b>	<i>Monthly Transfer in GEL (PPP USD)</i>	135 - 340	258 (\$114 PPP)	424 (\$359 PPP)
	<i>GDP per capita per annum</i>	<b>7 - 18%</b>	<b>14%</b>	<b>23%</b>
<b>Maternity Benefit</b>	<i>Weekly Transfer in GEL (PPP USD)</i>	0	221 (\$187 PPP)	221 (\$187 PPP)
	<i>Duration</i>	n/a	<b>18 weeks</b>	<b>24 weeks</b>
	<i>GDP per capita per annum</i>	n/a	<b>18%</b>	<b>24%</b>
<b>Old age Benefit</b>	<i>Monthly Transfer in GEL (PPP USD)</i>	295 - 365	295 (\$249 PPP)	405 (\$343 PPP)
	<i>GDP per capita per annum</i>	<b>16 - 20%</b>	<b>16%</b>	<b>22%</b>

Note: For child, disability and old age schemes, *basic* benefit level refers to a global average level whilst *advanced* benefit level refers to an OECD average level. For the maternity scheme, *basic* benefit level refers to the global average for providing

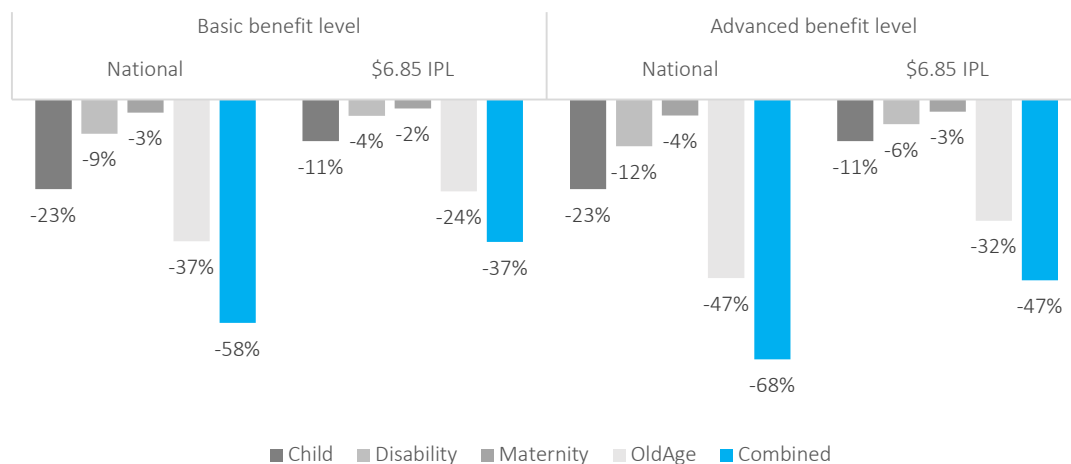
<sup>105</sup> The Child Benefit Programme component from targeted social assistance in Georgia provides GEL 200 per month for every child aged 0 to 15. The existing disability benefit (Social Package for persons with disabilities) provides GEL 340 to those with severe disabilities; GEL 175 to those with significant disabilities; and GEL 135 for those with moderate disabilities. The existing old age benefit (Universal old age pension) is provided to everyone when they reach pensionable age (65 for men and 60 for women) and pays to GEL 295 per month for retirees up to the age of 70, and GEL 365 for those above 70 years of age.

the minimum wage for the duration of 18 weeks whilst *advanced* benefit level refers to the global average for providing the minimum wage for the duration of 24 weeks. Benefit level expressed as GDP per capita corresponds to the total benefit transferred yearly.

### 3.1 The impact of extending social protection

Using the ESCAP Simulator, the combined impact of universal child, disability (for persons with moderate to severe disability), maternity and old-age benefits, at the basic benefit levels, are estimated to reduce the poverty rate, measured at Georgia’s national poverty line, by 58 per cent (figure 3.1).<sup>106</sup> At the international poverty line of \$6.85 per day, a typical poverty line for upper-middle-income countries, poverty would fall by 37 per cent. While the existing benefit levels for universal disability and old age benefits in Georgia are equal to or slightly higher than the basic benefit levels, figure 3.1 illustrates the impact of increased benefit levels. At the advanced benefit level, which corresponds to the OECD average benefit level for child, disability and old age benefits and a longer duration of 24 weeks for maternity benefit, the combined schemes would reduce the poverty rate by over two-thirds at the national poverty line and almost half the poverty rate at the international poverty line. The impact of maternity benefits on the total population is marginal compared to other benefits due to the relatively small number of beneficiaries, which reaches slightly less than 5 per cent of the total population.

**Figure 3.1: Impact of non-contributory lifecycle benefits at a basic benefit level for children, persons with disabilities, mothers of newborns and older persons on poverty reduction, for the whole population**



Source: ESCAP calculations using ESCAP Social Protection Simulator. Data accessed in October 2023.

Note: The simulated impact on poverty is compared to a situation where no other scheme exists.

Georgia’s maternity benefits are tied to formal employment and administered through its social security system, providing coverage to both formal employees and self-employed women.<sup>107</sup> As of 2023, contributory maternity benefits only cover a quarter of the female working-age population,

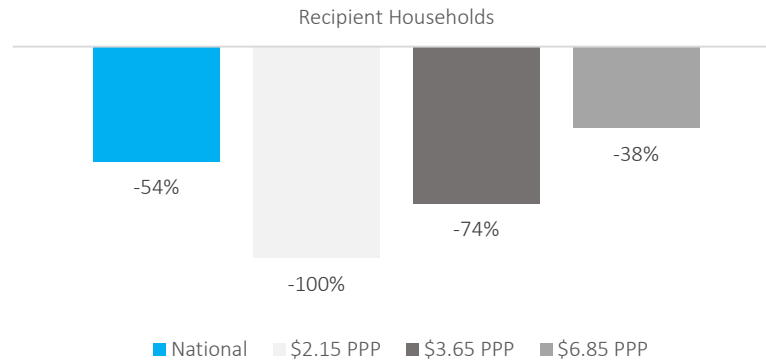
<sup>106</sup> Disability indicator is created based on *Disability3* category, where any 1 domain is coded “A LOT OF DIFFICULTY” or “CANNOT DO AT ALL” in the Washing Group questionnaire, following the recommendation by Washington Group on Disability Statistics.

<sup>107</sup> International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32> (Data accessed on 6 November 2023).



leaving almost 75 per cent of women of reproductive age without essential maternity protection.<sup>108,109</sup> The simulation results suggest that by investing only 0.2 per cent of the GDP, a universal maternity benefit would eliminate poverty at the international poverty line of \$2.15 for the recipient households (figure 3.2). At the national poverty line, it would halve the poverty rate for the recipient households.

**Figure 3.2: Impact of non-contributory maternity benefit at the basic benefit level on poverty reduction among recipient households**



Source: ESCAP calculations using ESCAP Social Protection Simulator. Data accessed in October 2023.

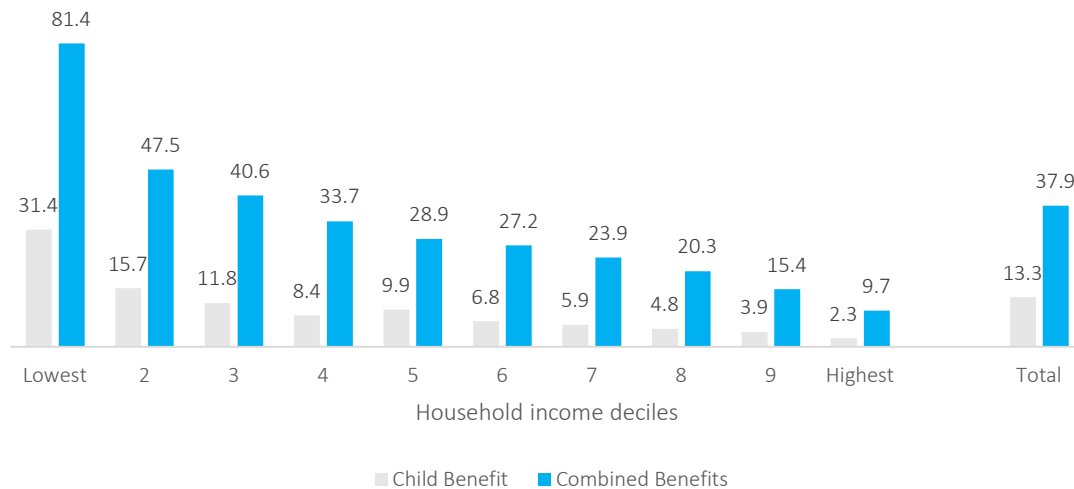
Note: The simulated impact on poverty is compared to a situation where no other scheme exists.

In addition to having a considerable impact on poverty levels, these benefits would also markedly raise household consumption. As an example, extending child benefits to all households with children of the age 0 to 18 would boost consumption significantly in all income groups (figure 3.3). A monthly child benefit of 74 GEL, or 4 per cent of GDP per capita, which corresponds to the global and OECD average level, would on average increase household consumption by 31 per cent for the poorest recipient households. The combined scheme of child, disability, maternity and old age benefits at the basic benefit level would boost the household consumption of the poorest recipient households by 81 per cent.

<sup>108</sup> International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/WSPDB.action?id=32> (accessed on 6 November 2023).

<sup>109</sup> ILO, "Working-Age Population by sex", ILO Stat database. (accessed on 20 October 2023).

**Figure 3.3: The combined impact of child, disability, maternity and old age benefits at the basic benefit level on household consumption for recipient households, by income decile (%)**

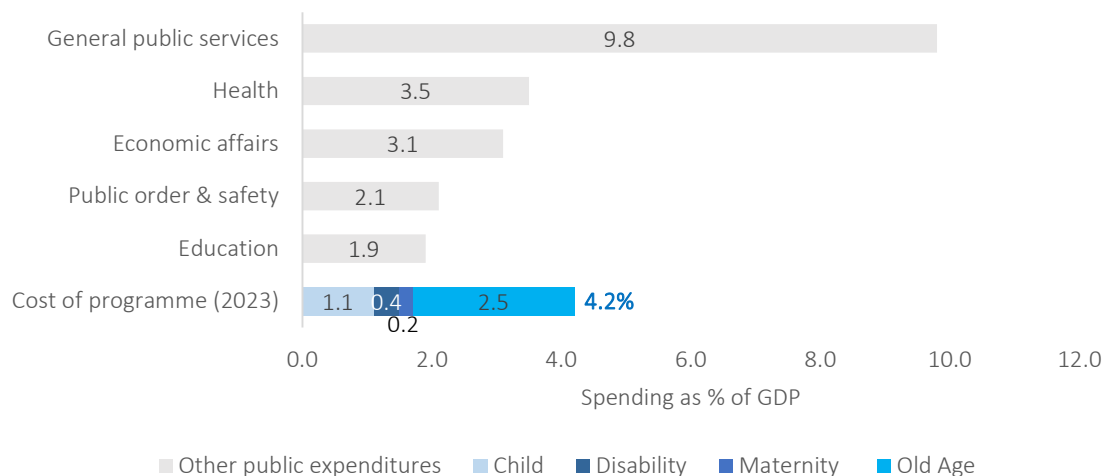


Source: ESCAP calculations using ESCAP Social Protection Simulator. Data accessed in October 2023.

Note: The tool uses household consumption expenditure as the default measure of households’ living standards and a measure for constructing household income deciles.

The combined cost for the four schemes, covering all families with children below the age of 18, all persons with disability, all mothers of newborns and all older persons above the age of 65, is estimated to be 4.2 per cent of GDP (figure 3.4). When fiscal space is limited, a social protection benefit could start as a restricted scheme based on age, e.g. limiting the eligibility to children between the age of 0 and 5, and be expanded over time to achieve full universal coverage within the age category, meeting obligations as recognized in international human rights instruments.

**Figure 3.4: Public spending by functional expenses as percentage of GDP**



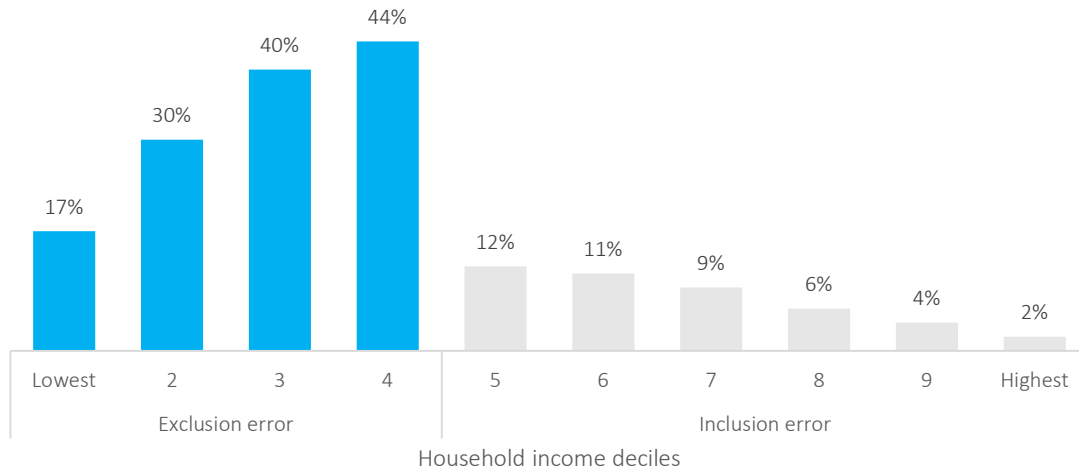
Source: ESCAP calculation using ESCAP Social Protection Simulator. Data accessed in October 2023.

### 3.2 Pitfalls of poverty-targeting

Currently, Georgia’s child benefit scheme is poverty targeted. Targeting using a proxy-means test approach, as most targeted schemes in the region do, risks wrongly excluding those most in need of

the benefit. At the same time, targeting often ends up including households who are not eligible for the benefit (e.g., households in higher income deciles). Results from the ESCAP simulator indicate that using a proxy-means test on the child benefits to target the poorest 40 per cent leads to significant exclusion and inclusion errors (figure 3.5).

**Figure 3.5: Exclusion and inclusion errors under simulated proxy-means tested child benefits, targeting the poorest 40 per cent of households, by income decile**



Source: ESCAP calculations using ESCAP Social Protection Simulator. Data accessed in October 2023.

Note: The tool uses household consumption expenditure as the default measure of households' living standards and a measure for constructing household income deciles.

The simulated result suggests that almost 17 per cent in the poorest income decile would be wrongly excluded, increasing to 44 per cent in the fourth decile. These targeting errors have multiple causes, ranging from imperfect approximation of income using a proxy-means test, low-quality and outdated income data to registry errors. Hence, despite the well-intended approach to only cover the poorest households, proxy-means testing is rarely a successful way to cover those who need the benefits the most. Because of the burden it places on the implementers, it is also administratively cumbersome and, thus, more expensive to implement than a universal scheme. As a result, proxy-means tested schemes are often criticized as inefficient and unfair with a high risk of excluding those who are intended to receive the benefit. By contrast, the registration process for a universal child benefit scheme is straightforward, for example, using verification of age and residency of the applicant.

## Chapter 4: Stocktaking of existing measures in support of the ActionPlan

The Action Plan to Strengthen Regional Cooperation on Social Protection calls on countries to establish an intermediate target of social protection coverage by 2025, and then measure progress towards achieving universal coverage by 2030. To achieve this objective, the Action Plan lays out 12 measures to be taken at national level. The matrix below outlines each national action point and a summary of achievements by the Government of Georgia as well as some identified gaps towards this objective.

### Achievement and challenges

***Action 1. Ensure the right to social protection for all without discrimination throughout the lifecycle, including by adopting necessary legislative, regulatory, administrative and other measures to this end***

**Achievement:**

Georgia enjoys a well-established social protection system that covers a range of risks, receives a significant proportion of government funding, and plays a critical role in alleviating poverty. It also shows many strengths, especially in terms of the use of a multi-tiered model for old-age assistance, social protection provision for persons with disability and children.

Georgia has a long period of guaranteed maternity leave, but income protection is only provided for a short initial period. With regards to unemployment, there is also strong accent placed on employment promotion, but unemployment income support has been abandoned. These developments, among other examples, show a willingness to raise employment but lack investment in social protection policy to support this goal.

A much-needed reform to move from a medical model of evaluation of disabilities to a more holistic, biopsychosocial model of disability assessment is ongoing.

**Challenges:**

In the current system, social protection provision is unevenly distributed with a lack of coverage from lifecycle risks for the working age population. The system lacks key lifecycle provisions; as per ILO Convention No. 102, there are no employment benefits and no universal entitlement to child or family benefits.

**Basic income security for children:** Children are significantly more likely than other age groups to live in poverty. The CBP—aimed at poor families with children—is still neglecting a significant number of vulnerable children, despite the Georgian Government’s efforts to improve the targeting of the system and considerably increase the benefits level.

**Basic income security for the working age population:** Among working-age people in Georgia, there are high levels of economic inactivity and wide gender gaps. Most informally employed people do not contribute to the social insurance systems. This would lead to challenges in terms of their coverage with social protection systems, leading to increased public spending for non-contributory benefits. This creates a need to broaden social insurance coverage to these segments of the population, with further steps needing to be taken to accelerate active labour market policies.

**Basic income protection for people with disabilities:** An outdated disability model still leads to the inequitable and inefficient provision of disability benefits and services.

**Basic income security for older people:** It is projected that public expenditure on the universal pension scheme, which currently makes up the bulk of the state's social spending, will only increase due to the increased number of pensioners related to the rapidly aging population and increased life expectancy. Despite the recently undertaken structural and institutional reforms of the pension system, more efforts are needed to protect the livelihoods of older adults. This particularly applies to women. The lower labour force participation and/or more interrupted careers of women and their lower standard retirement age weakens their old age poverty protection. Due to this, women tend to be disadvantaged when benefits are tied to employment status, and in the social insurance system they tend to have lower pensions. For this reason, a variety of measures need to be undertaken to mitigate these inequalities.

***Action 2. Progressively design and realize, including through social dialogue, comprehensive and sustainable social protection systems for all that enable every person to access social protection at adequate benefit levels and thereby enjoy an adequate standard of living, in accordance with national circumstances, throughout his or her lifetime***

**Achievement:**

Constitutionally, Georgia upholds the idea of being a “social state”, requiring the state to reinforce the principles of social justice, social equality and social solidarity; to enable equitable socio-economic development; and to strengthen the state's obligation for the provision of healthcare and social protection, and the protection of family welfare. This creates a good basis for solidarity-based social protection that entails individuals pooling their resources for the greater good and redistributing income from the more affluent members of society to those who earn or have earned less.

**Challenges:**

Social security may be financed by contributions paid by employees and/or employers, by general taxation or through a combination of these. As per the Economic Liberty Act of Georgia, existing taxes can be raised, or new taxes be introduced, only through a referendum, leaving a relatively narrow margin of fiscal space and posing challenges to the introduction or inclusion of adequate social protection expenditures and liabilities in the state budget. In this regard, a well-designed taxation system can have the potential to generate adequate revenue to provide a basic level of protection for all. There is a need to expand the revenue base for contributory schemes and ensure greater, and more adequate, protection for the working age population.

***Action 3. Ensure that social protection systems are shock responsive, gender sensitive and relevant to the needs of vulnerable populations***

**Achievement:**

The government reacted quickly to the COVID-19 pandemic with multiple social protection support packages enacted, with a focus on cash transfer programmes to extend income support to different segments of the population. Most of the registered unemployed were provided with benefits. Additional wage subsidies supported the creation of new jobs and the retention of employees.

Maternity protection in Georgia is complex and offers quite generous childcare-related and maternity leaves. Efforts are being made to increase the maternity allowance.

**Challenges:**

The social assistance system was able to rapidly support existing beneficiaries but was unable to expand social assistance support to the newly poor and vulnerable. The support mostly consisted of one-off transfers to existing beneficiaries because existing programmes were unable to expand horizontally. Therefore, it is important to further strengthen the social protection system to have flexibility to effectively respond to the effects of compound risks (pandemics, climate change or other multiple risks) through swift expansion to reach those that need support or by temporarily increasing transfer sizes to have a stabilising effect on household economies. This might come in the form of enhancement of social registries, enrolment, delivery, and payment systems, leveraging technology and enabling solid partnerships across ministries, from disaster management to finance and social protection.

The legislation does not guarantee universal legal coverage of maternity benefits. The current system of maternity benefits only covers working mothers and the provisions are heavily skewed towards women who are employed in the public sector. Maternity income support is low and is not extended to non-working mothers, who thus lack a social protection floor for maternity protection.

***Action 4. Ensure that the implementation of social protection is efficient, coordinated, non-discriminatory, reliable and transparent, with public availability of appeal and complaint mechanisms institutionalized as part of the service delivery process***

**Achievement:**

The Government of Georgia made good progress in terms of data and information management of social protection schemes that are technically well aligned with multiple programmes databases (birth registry, revenue services, etc.) and between the national and local offices of the SSA.

Digitizing key implementation processes and streamlining registration in the Social Registry (a registration platform administered by the SSA) is ongoing. **Challenges:**

Georgia does not have an integrated reporting system to coordinate and track beneficiaries and benefits across programmes, and across central and local government. More efforts are necessary to enable inclusion and ensure system efficiency.

There is also a room for improvement so that social benefits are better targeted and delivered more quickly and efficiently to households in need. There is also the need for improvement to digitalize social protection services and make them available online.

***Action 5. Allocate sufficient public funds, and increase these levels where required, towards the realization of social protection for all at the national level, with due regard to social and intergenerational solidarity and the sustainability of national social protection systems***

**Achievement:**

The total government expenditure on social protection (excluding health care) increased by almost 150 per cent since 2006 in absolute terms, with the majority of non-contributory social protection schemes being fully financed from the state budget. Currently, around the majority of the population is covered by at least one social protection benefit.

**Challenges:**

Although expenditure on social protection makes up a large share of the government's current spending of the state budget, relative to the size of the economy it is considered low. Cash transfers are not sufficient to provide for the basic needs of families living in poverty.

More analysis is needed on the long-term fiscal impact and sustainability of the universal pension and 2018 pension reform to ensure adequate pensions in the long term. Finding the right balance between pension adequacy and fiscal sustainability will be the main challenge for the government in the next stage of reforming the pension system.

***Action 6. Encourage national civil society entities and private sector organizations to engage actively in the field of social protection, as appropriate, towards the realization of social protection for all***

**Achievement:**

Although the main responsibility for the provision of social protection or the social security system lies with the state, civil society and trade unions play an important role in supporting the adequate design, implementation and monitoring, as well as advocating for the rights and empowerment of people. The Government of Georgia and its line ministries, including the MoIDPLHSA, have different platforms through which CSOs, trade unions, issue experts, private sector and other stakeholders can be involved. For the development/refinement of different social protection schemes, the MoIDPLHSA creates working groups that enable the involvement of these groups. Currently, there are multiple working groups that have been formed related to developing/refining social protection elements (e.g., for determining the minimum wage, social insurance, and TSA).

**Challenges:**

Observations have been made related to the declining space for civil society to engage and play a true partnership role in shaping social protection policies in the country. This needs to be strengthened so that Georgian civil society can play a role in advocating for a rights-based and sustainable social protection system, as well as performing its role in ensuring accountability and transparency.

Current social dialogue mechanisms regarding social protection policies have been sporadic, generally reactive rather than proactive, and largely unformalized.

***Action 7. Consider setting achievable national targets, including intermediate targets, based on country contexts within the indicator framework of Sustainable Development Goal 1.3, including through the establishment of the following: i) A national baseline of the population covered by social protection programmes for 2021, by sex and age; ii) Intermediate targets for the population covered by social protection programmes by 2025, by sex and age; iii) National targets to reach the entire population with social protection programmes by 2030, by sex and age***

**Achievement:**

Social Protection also features prominently in the SDGs, which call on their signatories to “implement nationally appropriate social protection systems” and “achieve substantial coverage of the poor and the vulnerable” by 2030. Georgia therefore has a national and international obligation to provide social protection for its most vulnerable people.

The Georgian Government’s strategy – Vision 2030 – identifies social protection as one of its priority directions aimed at reducing poverty, mitigating inequality, ensuring decent old age, expanding the opportunities of vulnerable groups of the population and enabling social protection during unemployment/economic inactivity in the country.

**Challenges:**

However, there is no specific framework underlining the specific policy direction that social protection should take in the country and there is no a dedicated space through which to reflect on the principles underlying the system as a whole in the strategic vision of the government.

***Action 8. Develop strategies to achieve these targets and integrate them into national development plans and social protection sectoral plans and frameworks***

The lack of an overarching social protection strategy in the country has led to a trend of ad hoc reforms that have compromised the system’s capacity to strategically move towards its overarching goals. Despite having a social protection underlined as a priority in the government’s strategic Vision 2030, there is no united instrument that can inform the direction, scope and breadth of the social protection system in Georgia and its reform goals.

***Action 9. Develop and strengthen national data management systems and processes to facilitate the collection, management and analysis of social protection data that are accurate, relevant and timely***

While the Social Registry serves as an integrated and dynamic platform for households to apply for social programmes, Georgia does not have an integrated reporting system to coordinate and track beneficiaries and benefits across programmes, and across central and local government. There is a need for the development of an integrated monitoring and reporting system for social benefits that are provided by central and local government entities. This would strengthen inclusion and system efficiency.

There is also a need to expand the use of digital technology to better deliver services, increase transparency and cost effectiveness. Beyond this, to increase the effective delivery of services it is necessary to digitize the key administration process for social protection benefits and streamline registration.

***Action 10. Promote partnerships, peer learning, knowledge exchange and the sharing of good practices among countries in Asia and the Pacific through North-South, South-South and triangular cooperation frameworks***



The Government of Georgia has participated in partnerships, knowledge exchange and sharing of good practices both within the country as well as with other countries in Asia and the Pacific.

***Action 11. Ensure that development support from partners is aligned with core national social protection priorities and corresponding technical assistance and capacity building needs***

The Government of Georgia closely cooperates with multilateral donor and international partner organizations to advance its social protection system.

***Action 12. Share national experiences in the form of a progress report, to be produced on a voluntary basis, on the progress made and challenges faced in implementing the Action Plan, at future sessions of the Committee on Social Development.***

The stocktaking report is considered to achieve this.

## Chapter 5: Moving forward to Implement the Action Plan

Social protection has been identified as an enabler for implementing the 2030 Agenda. To achieve the Sustainable Development Goals and deliver on the commitments contained therein, most countries in the region need to step up their efforts to build sustainable and reliable social protection systems. For this purpose, the Action Plan and its national actions will be helpful for countries in furthering their inclusive social protection agenda.

The matrix below identifies key elements needed to achieve each action point. In addition, tailored national level recommendations are presented for consideration by the Government of Georgia drawing on the contents of the report.

### National action point and recommendations

<i>National Action as Outlined in Action Plan</i>	<b>Progress of Government of Georgia Towards this Action</b>
<i>Action 1. Ensure the right to social protection for all without discrimination throughout the lifecycle, including by adopting necessary legislative, regulatory, administrative and other measures to this end</i>	
<b>Recommendations to Promote Action Plan at National Level:</b>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Establish an integrated system ensuring that the three pillars of social protection – contributory, non-contributory and Active Labour Market Programmes (ALMP)– are integrated or, as a bare minimum, coordinated. This should facilitate the provision of a social protection floor, whereby individuals are appropriately protected throughout their lifecycle.</li> <li>• To close the underlining gaps it would be necessary to focus on those lifecycle benefits that are either missing or largely inadequate: (i) a universal child benefit; (ii) a permanent unemployment insurance scheme based on mandatory contribution should be established to cover a minimally adequate period of unemployment, in line with the minimum standards of Convention No. 102; and (iii) a definition of minimum wage policy that can contribute to addressing in-work poverty; (iv) provide sufficient maternity protection measures and coverage (including for those who are self-employed) with evenly regulated provisions for public and private employees; and (v) development of an employment insurance scheme for those who are temporary unemployed and are under high risk of socio-economic vulnerabilities.</li> <li>• Conduct assessments on informal employment (the diversity of characteristics, conditions, and needs of workers and economic entities) with the aim of aims of developing a clear and practical instrument to gradually transition informal work to formal and identifying specific ways to expand contributory coverage to informal workers. This can also entail informing and showing the advantages of formal employment to informal workers and the benefits of their transition to formal labour, together with facilitating the creation and maintenance of decent jobs in the formal economy.</li> </ul>	

<b>National Action as Outlined in Action Plan</b>	<b>Progress of Government of Georgia Towards this Action</b>
	<ul style="list-style-type: none"> <li>• Identify evidence-based options for the provision of <b>universal child benefits</b> based on a cost-benefit analysis and mapping exercise that would gradually replace the current benefit (the CBP means-tested benefits paid within the TSA), including the geographically targeted child benefits and benefits for third and subsequent children, to provide a sort of basic income security for households with children. This would include enabling the expansion incrementally if needed, in access, age, scope, geographical distribution, and sustainability of child benefits, towards making them universal in coverage.</li> <li>• Reassess the targeting method for the TSA toward one more correlated with poverty status to help reduce some of the existing exclusion errors. Despite being at its historic maximum in terms of coverage, social assistance (TSA) spending targeted toward the poor remains inadequate and many people continue to live in poverty. Despite a considerable period of post-pandemic economic growth, poverty in Georgia remains substantial. TSA coverage has led to some of the most vulnerable members of society being excluded from social protection.</li> <li>• Further enhance awareness and capacity of human resources to roll out new evaluation methodology of disability to accelerate the just and equitable provision of disability benefits and integrated services, and promote communication and outreach campaigns to enable access of persons with disability to the social protection system.</li> <li>• Conduct further analysis on the long-term fiscal impact and sustainability of the pension reforms to ensure adequate pensions in the long term. Finding the right balance between pension adequacy and fiscal sustainability will be the main challenge for the government in the next stage of reforming the pension system. This entails detailed analysis on the long-term consequences of different reform scenarios, such as changes to the indexation pattern, retirement age, social security contributions, etc.</li> </ul>
<p><b><i>Action 2. Progressively design and realize, including through social dialogue, comprehensive and sustainable social protection systems for all that enable every person to access social protection at adequate benefit levels and thereby enjoy an adequate standard of living, in accordance with national circumstances, throughout his or her lifetime</i></b></p>	
<p><b>Recommendations to Promote Action Plan at National Level:</b></p>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Taking into account the increased role of self-governance, clearly defined roles and responsibilities that entails respective legislative provisions/amendments, enhance the capacity of local municipalities in the design and administration of social protection schemes, including the implementation of necessary control mechanisms for the financial resources used for these benefits.</li> <li>• Support integration and coordination of the system through developing explicit linkages across programmes – between cash benefits, between cash benefits and ALMPs, between cash benefits and health insurance. The linkage between social protection interventions and social care is also crucial, especially among beneficiaries of targeted social assistance,</li> </ul>	

<b>National Action as Outlined in Action Plan</b>	<b>Progress of Government of Georgia Towards this Action</b>
<p>where problems are often not only of an economic nature (e.g., when related to cash benefits for children with disabilities who require additional support and services).</p>	
<p><b>Action 3. Ensure that social protection systems are shock responsive, gender sensitive and relevant to the needs of vulnerable populations</b></p>	
<p><b>Recommendations to Promote Action Plan at National Level:</b></p>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Analyse the effectiveness of non-contributory schemes as a crisis response mechanism and the rigidities imposed by the current social protection system to enable a system whereby social protection schemes are responsive to negative shocks, sudden changes in vulnerability and new forms of poverty (including impacts of climate change related events and other natural disasters).</li> <li>• Identify appropriate levels at which triggers in social protection and disaster risk should be activated to reach newly vulnerable populations in a time of crisis.</li> <li>• Identify measures to mitigate gender inequalities in pension systems. Since the current contributory old-age scheme is tied to contributions, this tends to exacerbate labour market inequalities, especially gender inequalities, and there is a need to develop a variety of tools to mitigate or correct this disparity through possible cross-subsidization (e.g., through universal old-age pension) or other methods.</li> </ul>	
<p><b>Action 4. Ensure that the implementation of social protection is efficient, coordinated, non-discriminatory, reliable and transparent, with public availability of appeal and complaint mechanisms institutionalized as part of the service delivery process</b></p>	
<p><b>Recommendations to Promote Action Plan at National Level:</b></p>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Ensures that existing laws, binding regulations and development plans have clear social protection objectives and are implementable.</li> <li>• Establish nationally defined social protection floor through a combination of extending contributory (especially prioritizing those groups of workers who are formal economy and have some contributory capacity) and non-contributory mechanisms and create a basic guarantee social security for all at the national level which will also replace some of the existing categorical measures.</li> <li>• Conduct regular internal and external assessments of schemes to ensure good governance and transparency of social protection systems.</li> </ul>	
<p><b>Action 5. Allocate sufficient public funds, and increase these levels where required, towards the realization of social protection for all at the national level, with due regard to social and intergenerational solidarity and the sustainability of national social protection systems</b></p>	

<b>National Action as Outlined in Action Plan</b>	<b>Progress of Government of Georgia Towards this Action</b>
<b>Recommendations to Promote Action Plan at National Level:</b>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• To ensure sustainable and appropriately designed social protection interventions, devise a forward-looking approach that identifies future risks and vulnerabilities. A long-term vision/strategy can guide this process.</li> </ul>	
<b>Action 6. Encourage national civil society entities and private sector organizations to engage actively in the field of social protection, as appropriate, towards the realization of social protection for all</b>	
<b>Recommendations to Promote Action Plan at National Level:</b>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Formalize and broaden the membership of existing consultative and implementing social protection bodies to include representatives of different vulnerable groups (including children, youth, and persons with disabilities) and working unions to promote understanding, develop ownership and facilitate partnerships for the broadening of adequate social protection coverage.</li> <li>• Establish the necessary steps and Action Plan to accelerate engagement of trade unions in dialogue around social protection policies.</li> </ul>	
<b>Action 7. Consider setting achievable national targets, including intermediate targets, based on country contexts within the indicator framework of Sustainable Development Goal 1.3, including through the establishment of the following: i) A national baseline of the population covered by social protection programmes for 2021, by sex and age; ii) Intermediate targets for the population covered by social protection programmes by 2025, by sex and age; iii) National targets to reach the entire population with social protection programmes by 2030, by sex and age</b>	
<b>Recommendations to Promote Action Plan at National Level:</b>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Develop a clear vision for social protection policy that can incorporate the key drivers of demand for social protection, taking into account future trends such as population ageing, migration or climate change, which is streamlined into the existing frameworks to ensure a uniform understanding of social protection and leverage it to promote socioeconomic development.</li> </ul>	
<b>Action 8. Develop strategies to achieve these targets and integrate them into national development plans and social protection sectoral plans and frameworks</b>	
<b>Recommendations to Promote Action Plan at National Level:</b>	

<b>National Action as Outlined in Action Plan</b>	<b>Progress of Government of Georgia Towards this Action</b>
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Develop a good legal and regulatory framework with clear definitions and terminology, that will aid the effective functioning of the system to avoid overlaps, duplications, multiplicity, or gaps. Legal and regulatory frameworks are also essential for establishing the roles and responsibilities of the different actors on central and municipal levels involved in designing, administering, delivering, and enforcing the social protection system in the country.</li> </ul>	
<p><b><i>Action 9. Develop and strengthen national data management systems and processes to facilitate the collection, management and analysis of social protection data that are accurate, relevant and timely</i></b></p>	
<p><b>Recommendations to Promote Action Plan at National Level:</b></p>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Develop a well-aligned, integrated registration and reporting system to coordinate and track beneficiaries and benefits across programs, and across central and local government though taking into account and safeguarding personal integrity and confidentiality.</li> <li>• Expand the use of digital technology to increase the effectiveness of the delivery of services through digitalizing the key administration process for social protection benefits and streamlining registration.</li> </ul>	
<p><b><i>Action 10. Promote partnerships, peer learning, knowledge exchange and the sharing of good practices among countries in Asia and the Pacific through North-South, South-South and triangular cooperation frameworks</i></b></p>	
<p><b>Recommendations to Promote Action Plan at National Level:</b></p>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Participate in bilateral and regional meetings to exchange experiences of both successes and shortcomings in introducing, implementing and monitoring social protection schemes.</li> </ul>	
<p><b><i>Action 11. Ensure that development support from partners is aligned with core national social protection priorities and corresponding technical assistance and capacity building needs</i></b></p>	
<p><b>Recommendations to Promote Action Plan at National Level:</b></p>	
<p>To this end, it is recommended that the Government of Georgia:</p> <ul style="list-style-type: none"> <li>• Closely cooperate with bilateral and multilateral donors, UN agencies and international partner organizations in order to improve social protection system in the country.</li> </ul>	

<b>National Action as Outlined in Action Plan</b>	<b>Progress of Government of Georgia Towards this Action</b>
<b><i>Action 12. Share national experiences in the form of a progress report, to be produced on a voluntary basis, on the progress made and challenges faced in implementing the Action Plan, at future sessions of the Committee on Social Development.</i></b>	
The participation in this report stocktaking is considered to fulfil this action point.	

## **Conclusion**

The Government of Georgia has made strides in ensuring social protection for its vulnerable population, with notable achievements in delivering a universal pension system through a blend of contributory and non-contributory schemes as well as a well-organized administration. Its recent indexation of disability pensions and shift towards a functional model of disability assessment are also testimony to its efforts to ensure effective outreach and impact of its schemes. Its move towards digitalisation to advance the effective and efficient delivery of schemes, as well as strengthening its contributory system further reinforce its commitments to enhancing its social protection system. It is hoped that the Action Plan will provide impetus for the Government of Georgia to continue building a more inclusive, prosperous and resilient country that leaves no one behind.

**Annex I: Regional Action Plan to Promote Regional Cooperation on Social Protection: Elements of what is needed**

<b>National Action as Outlined in Action Plan</b>
<p><b>Action 1: <i>Ensure the right to social protection for all without discrimination throughout the lifecycle, including by adopting necessary legislative, regulatory, administrative and other measures to this end</i></b></p>
<p><b>Elements of what is needed:</b></p> <ul style="list-style-type: none"><li>• <b>Ensure the social protection system is available and accessible to all.</b> All social protection schemes must be free from discrimination and subjectivity and ensure that women access and receive benefits on an equal footing to men. This requires legislative guarantees as well as implementation arrangements. Social protection schemes must be accessible, barrier-free and inclusive, providing everyone with equal opportunities to access the scheme as well as information about them. National and local administrative systems should ensure that the needs of applicants and local contexts are considered and that information is available in forms and languages understandable by all.</li></ul>
<p><b>Action 2: <i>Progressively design and realize, including through social dialogue, comprehensive and sustainable social protection systems for all that enable every person to access social protection at adequate benefit levels and thereby enjoy an adequate standard of living, in accordance with national circumstances, throughout his or her lifetime</i></b></p>
<p><b>Elements of what is needed:</b></p> <ul style="list-style-type: none"><li>• <b>Ensure that the design and implementation of the social protection system is based on evidence and assessments of adequacy and sustainability.</b> When social protection benefits are too low to be meaningful they can disincentivize individuals from joining contributory schemes, or fail to prevent families from falling into or breaking cycles of poverty. To ensure adequacy of social protection benefits, it is instrumental to assess and review existing social protection benefit levels and to conduct actuarial reviews to assess issues of financial sustainability.</li><li>• <b>Progressively extend coverage of social protection to all.</b> To extend social protection coverage to all, a blend of contributory and non-contributory schemes is needed. Prioritizing non-contributory schemes can ensure that no one is left behind in access to a minimum income guarantee. In addition, it is important to gradually extend coverage of contributory schemes to the working-age population. Given high levels of informality, it would be important to complement these with wider labour market efforts to transition from informal to the formal employment.</li></ul>
<p><b>Action 3. <i>Ensure that social protection systems are shock responsive, gender sensitive and relevant to the needs of vulnerable populations</i></b></p>
<p><b>Elements of what is needed:</b></p> <ul style="list-style-type: none"><li>• <b>Develop or integrate into existing strategies, national or sector-specific strategies that address shock-responsive social protection mechanisms.</b> These should outline roles and responsibilities of all partners at central and local levels, including community and humanitarian actors, as well as plans and actions to be taken before potential shocks as well as after-shock responses to support households, that can leverage humanitarian infrastructure or other responses.</li></ul>



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- **Ensure a strategy to promote gender-responsive social protection is outlined in one or more national or sectoral social protection policies.** Noting the specific vulnerabilities faced by women, men, girls and boys, social protection systems should design and implement their schemes in a manner that addresses these vulnerabilities to ensure benefits are accessible and eligible to all, regardless of their gender.
- **Innovate, design and implement mechanisms that foster inclusive social protection systems by making them more accessible to the most vulnerable and often excluded groups** such as women or workers in informal arrangements. There are various ways in which contributory schemes can be adjusted to increase coverage through the legal framework, administrative, communications and financial incentives of schemes, especially for women.

*Action 4. Ensure that the implementation of social protection is efficient, coordinated, non-discriminatory, reliable and transparent, with public availability of appeal and complaint mechanisms institutionalized as part of the service delivery process*

### Elements of what is needed:

- **Continue to develop capable and accountable institutions with clear roles and responsibilities.** To this end, an overarching inter-ministerial policy framework that integrates all social protection schemes can facilitate coordination and coherence in policy and implementation among different schemes.
- **Continue to invest in building efficient social protection institutions.** Ensure the effectiveness of systems by building capacity and reliable institutions. Countries may consider applying institutional arrangements that support integration and avoid administrative complexities, such as through an overarching inter-ministerial policy framework and implementing entity.
- **Promote and raise the public awareness of the existing communication strategy.** Clear communication is critical to ensure the public know of existing social protection schemes, understand eligibility criteria, what they may receive and how to engage in the application process. It can thereby manage expectations of a scheme and strengthen trust in institutional and delivery mechanisms.
- **Ensure that complaints and appeal mechanisms are easily accessible and available for all national social protection schemes** to identify and address delivery and administrative issues and ensure accountability, as well as build trust in institutional and delivery mechanisms.
- **Conduct regular monitoring and evaluation of delivery and performance** for continuous feedback and evidence to enhance government understanding on what works, why and for whom. This can in turn inform further improvement of schemes.

*Action 5. Allocate sufficient public funds, and increase these levels where required, towards the realization of social protection for all at the national level, with due regard to social and intergenerational solidarity and the sustainability of national social protection systems*

### Elements of what is needed:

- **Mobilize resources for social protection.** Prioritizing investment in social protection is foremost

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a matter of political will than resources. Recognizing the impact of social protection on smoothing consumption for households, as well as levelling inequality and promoting trust in national institutions as well as solidarity across income groups and generations, social protection should be seen as an investment in socioeconomic development of a country.

- **Conduct a national assessment of fiscal needs and gaps to implement national social protection policies.** This is necessary to provide the evidence base for why financing social protection is needed, but also to identify funding sources. Investments grounded in domestic financing can include increasing tax revenues, reallocating public expenditures, tackling illicit financial flow and adopting inclusive macroeconomic frameworks. Countries can also draw on development assistance as a transitional co-financing or to introduce pilot projects.
- **Promote a financial management that is transparent.** This can ensure that funds are used for their intended purpose and that accurate payments reach intended beneficiaries in a timely manner. This can also enhance trust in social protection delivery and implementation mechanisms.

*Action 6. Encourage national civil society entities and private sector organizations to engage actively in the field of social protection, as appropriate, towards the realization of social protection for all*

#### Elements of what is needed:

- **Emphasize good governance and embed social dialogue at all steps from design and implementation to follow-up and evaluation.** Good governance and coordination mechanisms can enhance the coherence, transparency and effectiveness of social protection schemes. Social dialogue with workers' and employers' organizations can help leverage their knowledge and build political support. Consultations with civil society organizations representing beneficiaries can help identify the unique needs and circumstances of these populations to better tailor responses. These organizations can also play an instrumental role in ensuring the accurate communication of information regarding benefits, as well as to support beneficiaries in accessing delivery mechanisms.
- **Establish regular mechanisms to consult stakeholders.** The regular convening of stakeholder consultations can strengthen the feedback mechanism on the needs and circumstances of recipients, as well as on delivery and implementation. ILO Recommendation 202 also stipulates the need for a consultative approach to monitor progress on a regular basis.

*Action 7. Set achievable national targets, including intermediate targets, based on country contexts within the indicator framework of Sustainable Development Goal 1.3, including through the establishment of the following: i) A national baseline of the population covered by social protection programmes for 2021, by sex and age; ii) Intermediate targets for the population covered by social protection programmes by 2025, by sex and age; iii) National targets to reach the entire population with social protection programmes by 2030, by sex and age*

#### Elements of what is needed:

- **Set achievable national targets, including intermediate targets.** SDG1.3.1 sets out the target to implement national social protection systems and floors for all and, by 2030, achieve substantial coverage of the poor and vulnerable. The setting of national targets serves as a

### National Action as Outlined in Action Plan

benchmark to track progress to achieve this vision, as well as strengthen the implementation of social protection system.

#### *Action 8. Develop strategies to achieve these targets and integrate them into national development plans and social protection sectoral plans and frameworks*

##### Elements of what is needed:

- **Integrate national targets on coverage levels in one or more social protection strategies.** Strategies to achieve these targets should be developed and integrated into national development plans as well as sectoral social protection plans and frameworks. This will ensure the understanding of social protection as a core strategy for social and economic development, including the protection against economy-wide risks and crises.

#### *Action 9. Develop and strengthen national data management systems and processes to facilitate the collection, management and analysis of social protection data that are accurate, relevant and timely*

##### Elements of what is needed:

- **Establish a national data management system that coordinates data collection, enrolment and registration of beneficiaries, benefit payments and tracking for social protection schemes.** To overcome the fragmentation of databases across ministries, a digitalized Management Information Systems (MIS) should be developed for each social protection scheme that can be integrated and provide a system-wide overview. This integrated approach allows administrators to manage data related to registrations, enrolment, payment, beneficiary updates and grievance. This can enable governments to access data and reports on system level coverage, coordination between schemes and impact.

#### *Action 10. Promote partnerships, peer learning, knowledge exchange and the sharing of good practices among countries in Asia and the Pacific through North-South, South-South and triangular cooperation frameworks*

##### Elements of what is needed:

- **Consider engaging in North-South, South-South or triangular cooperation frameworks on social protection.** Through the exchange of peer learning and knowledge, governments can exchange technical know-how and expertise relevant to their national contexts. International development partners can facilitate this exchange among different partners to co-create social protection solutions.

#### *Action 11. Ensure that development support from partners is aligned with core national social protection priorities and corresponding technical assistance and capacity building needs*

##### Elements of what is needed:

- **Link externally-funded projects towards achieving the objectives of national social protection policies.** To ensure policy coherence at the national level, it is important that different sources of funding, including from development partners, are aligned with national objectives on social protection.

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***Action 12. Share national experiences in the form of a progress report, to be produced on a voluntary basis, on the progress made and challenges faced in implementing the Action Plan, at future sessions of the Committee on Social Development.***

The participation in this report stocktaking is considered to fulfil this action point.