

## Family Support Policy in Georgia: Challenges and Reform Options

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Georgia experienced demographic crisis in recent decades. The severe demographic situation is caused by low birth rate, increased mortality, aging and is also contributed by poor economic conditions, unemployment and high rate of migration. The study aims to document the drastic loss of population in Georgia and to assess which model best describes the current family support policy in Georgia according to the Gauthier's typology (1996), which includes four models of family policies: pro-natalist, pro-traditional, pro-egalitarian and non-interventionist. The study argues that the overall outcome puts Georgia in the non-interventionist model of family support policies. The family support policy in Georgia does not create adequate conditions for settling demographic problems. The financial assistance measures, such as: one-time financial aid for a childbirth, help in covering childcare costs and tax benefits are not even available. It is recommended that the state develop a family support policy program that will target low and middle income families across the country to improve the demographic condition. The selective approach is more appropriate for a low-income countries to achieve a maximum efficacy. Targeted state program for improving demographic conditions, as a minimum basic package must be a standard for the whole country. © 2020 Bull. Georg. Natl. Acad. Sci.

Family support, demographic dynamics, birth rate, population aging, migration, Caucasus, Georgia

According to UN, Georgia is among 20 countries worldwide which are affected by depopulation. The main reasons for the rapid decrease of the Georgian population are high rate of mortality, low fertility rates, population aging and migration [1]. These processes are driven by the effects of globalization, industrialization, urbanization, and changing lifestyles.

This general overview reports particularly high population losses for the Georgia since the late 1980s. Georgia was hit hardest among all former

Soviet Republics and Eastern European countries by the demise of the Soviet Union [2-5]. The economic crisis was exacerbated by civil tensions, political unrest across the country, and open conflict with Russia over the 2 regions of Abkhazia and South Ossetia [6-9].

Economic hardships, as well as political instability in the country have resulted in critically low birth-rates and increased death rates. In contrast with 1980ies, when there were approximately 94 thousand newborns annually,

currently this number has almost halved. One of the important factors which can improve demographic situation in a country, is state social policy, a combination of state assistance and support programs, as well as active involvement of the society. Unfortunately, the programs that have existed until today can be assessed as ineffective.

Psychological and social support families, strengthening social protection system, ensuring accessible health services – these are some of the services that are important to strengthen families. Strong families mean they take adequate care of their children.

This study aims to document population dynamics, including the drastic loss of population in Georgia from just before the demise of the Soviet Union to the present and to assess which model (pro-natalist, pro-traditional, pro-egalitarian and non-interventionist) best describes the current family support policy in Georgia. The paper intends to provide a setting for the choices available to the Georgian policy makers in order to mitigate the effects of current demographic crisis.

## Method

The methodology relies on policy documents and other sources regarding family support policies. The model of family policy in Georgia was measured according to the Gauthier's typology, which includes four models of family policies: pro-natalist, pro-traditional, pro-egalitarian and non-interventionist.

## Typology of Family Support Policies

Based on a comparative analysis of 22 industrialized countries, Anne Gauthier (1996) put forward a typology of family support policies comprising four models: pro-natalist, pro-traditional, pro-egalitarian, non-interventionist [10].

The pro-natalist model features a situation of government concern with low fertility and a policy setup with an explicit goal in raising the birth or

fertility rate with a broad range of measures. The main task is to encourage families to have children, which is to be achieved through decreasing the costs of raising children. Decreasing the cost of child raising means high levels of cash support, both in terms of child allowance and tax credits for working parents. Strong legislation is in place for maternity and paternity leave. Child care facilities are provided and generous subsidies are in place for covering its cost in the family budget. France is the best example for this policy model [11].

The pro-traditional model derives from a policy goal of maintaining the family. In this case, there is an implicit goal not linked with increasing fertility of the birth rate, but with a rather paternalistic of preserving the traditional family. In broad terms, while the state emphasis family support, families and voluntary organisations are regarded as the most important sources of material support. The level of cash support tends to be medium at best, as well as the benefits for working parents. Maternity and parental leave is short, just 1 year. The provision of child care services is low, due to the traditional view of the mother as responsible of raising the children. Germany is the best example for this model.

The pro-egalitarian model main goal is to achieve gender equality through an environment designed to help women balance employment and family life, while at the same time increasing the role of the father in child care. As a result, this model features medium levels of cash support, and high levels of benefits for working parents and especially child care services. Sweden and Denmark provide good examples of the model [12].

The non-interventionist model, as its name suggests, has no goal at all regarding the birth rate. Usually explicitly, its goal is to provide some support for families at risk of poverty and social exclusion. Therefore, the level of support in terms cash transfers, benefits for working parents, including maternity and paternity leave and child care services is at a very low level. The

participation of working mothers in the labour market is encouraged by limiting benefits. Poor families are provided only with selective, means-tested benefits. Businesses enjoy financial incentives for providing child care services. This model is strongly linked with a neo-liberal ideology, with its emphasis on the role of the market, individual and family self-sufficiency and belief against state intervention in society and individual life. Britain during the 1980s and 1990s is the leading example for this model [12].

### Demographic Trends in Georgia

Historically, the Georgian population was the largest in the first half of the 13<sup>th</sup> century – 8 million. The population of Georgia decreased to 761 thousand in 18<sup>th</sup> century as a result of continuous invasions of foreign invaders; In the beginning of the 19<sup>th</sup> century the plague reduced the population almost by half and was estimated to be only 400 thousand [9]. At the end of 19<sup>th</sup> century population of Georgia was 2 million (Increased 5 times in a century) [9]. In recent years the population of Georgia was the largest in 1989-1992 (5 400 000).

Historically, Georgia was the most populated country in caucasus region and the number of Georgians always exceeded Armenians and Azerbaijanis. In 1926, 35.1% of the entire population of caucasus lived in Georgia; In 1970 it was reduced to 28.1% and in 2010 it was further reduced to 18.95%. In addition, the population of Azerbaijan increased from 30.4% to 38% [13].

According to the studies, the Georgian population will further decline by 32% and become 2985000 by 2050 if the current demographic trend continues [14,15]. In comparison, by 2050, population of Azerbaijan and Armenia will grow by 33% and 7%, respectively.

According to official data, most children in Georgia were born in 1961 – 104 000; In 1960-1990 on average 93 000 children were born annually; The birth rate has declined sharply since 1990 and

averaged only 55 000 annually in 1990-2010. There were total 850 908 children born during 1960-1969, while only 502 296 during 2000-2009 [16]. The sharp decline in birth rate started since 1992. Even during world war II, the natural increase of Georgian population was 135 000 [17].

The number of girls born significantly affects the demographic development of the country: 454 000 females were born in 1980-1989, while 236 000 in 2000-2009 (48% fewer); Women born in 1980's will give birth to children till 2020, from 2020 onwards, women born in 2000's will come to maternal age. As a result, the birth rate will be halved since 2020 and will result in demographic decline. Even if economic conditions improve substantially, the country will not be able to avoid the demographic catastrophe, because it will not be able to compensate for the decrease in childbirth, caused by the decrease in the number of women born during 2000s.

According to the National Statistics Office of Georgia, the birth rate has varied from 17.5-15.9 since 1990s. Natural growth rate decreased from 7.7 to 2.7 and mortality rate increased from 9.3 to 13.2 [18]. Since the last decade of the 20th century, the number of mothers with more than three children also reduced.

Fertility coefficient implies the average number of children born to women with childbearing potential (age: 15-49 years). The last time the coefficient reached a required value (2.16) was at the end of 1980s [19]. Since 1991, the fertility coefficient gradually decreased and in 2005 it reached its minimum value (1.39). During following years, the index started to increase and in 2009 it reached 1.86. In order for the population to develop and restore itself, the coefficient is to be at least 2.1. In other words, a woman should have at least 2 children during her lifetime. This indicates, that the country of Georgia is characterized by low reproductive rates.

A birth rate and population growth is greatly affected by a large number of abortions, which

increased in the last decade [19]. In comparison with the 2004 data, the preliminary findings for 2012 increased by 130%. The number of abortions decreased since 2013, which is related to the specific steps taken by the government. In 2014, the country implemented some legislative changes: selective abortions got banned, a time to reconsider an abortion was increased from 3 to 5 days. Sanctions on illegal abortions were tightened.

### **Migration Problem in Georgia**

An internal migration has a negative impact on a demographic situation. Villages are emptying annually, especially in mountainous regions. According to the official statistics of 2002, 164 villages are completely empty, there are only 10 or fewer families living in 152 villages, while 905 villages have only 100 inhabitants [20]. Previously the migration had only temporary and seasonal character, but now it has become permanent and irreversible. Particularly alarming situation is observed in mountainous regions of Racha-Lechkhumi, Tusheti, Pshavi and Khevsureti [21].

As for external migration, which is one of the most important determinants of the demographic situation, over one million residents has left the country in recent years, mainly due to poor economic conditions [22, 23]. Since 2001, up to 630,000 children were born within the country, while 200,000 Georgian children were born abroad. According to the National Office of Statistics of Georgia, the migration balance (balance between the number of emigrants and immigrants) has been negative in most cases since 2000, which means that more people leave the country than arrive.

### **Family Support Policy in EU and Georgia**

It is important to develop appropriate state policy program to improve the demographic situation. One of the most important mechanism for addressing demographic problems is a family support policy. Family support policy means:

financial support and assistance of a family, creating a suitable environment to easily combine work and family duties and more. The financial support of a family implies the following financial measures: Financial assistance for the child/family, one-time financial support for the childbirth, assistance in covering child care costs, granting tax benefits and creating a different tax system for such families.

Creating a suitable environment for work and family implies a period of absence from work granted to a mother and father before and after the birth of a child, e.g. maternity leave.

The financial assistance of a family is a monetary social assistance, aimed to ensure a long-term financial stability of a family to raise their kids. It is determined by the number of children and their age.

A family support policy in Georgia is very different from the standards in EU. The right to receive a financial assistance in Georgia shall be applied only to the children who actually live in the regions where the average positive indicator of annual growth was not observed in the recent 3 years. Since 2014, a mortality rate has surpassed a birth rate in 6 regions.

This is a kind of unequal condition for families who don't live in those regions. In EU, the right to receive a financial support and assistance applies to all residents. In addition, only the third and next child is eligible to receive financial aid in Georgia, while in EU, every child receives a financial aid and the amount depends on the number of children in the family.

In Georgia, a family is financially assisted until a child is 2 years of age. In EU, a family has the right to receive financial assistance until a child's adulthood (18 Years). Respectively, Georgia's current financial assistance period is too short compared to the period of financial aid in EU.

Families who live in mountainous regions of Georgia, receive 200 GEL (\$75) as the financial aid, while others receive only 150 (Minister of

Labor, Health and Social Affairs of Georgia 2006). This amount of money is too small to fully cover the childcare needs and does not provide the adequate family support.

In EU the state establishes a different amount of financial aid for children of different ages. Plus Georgian legislation does not provide additional financial assistance to the family having a child with special needs.

The same beneficiary cannot receive financial aid from two different programs. In such cases, the family is forced to make a choice between different services. In the EU countries, families benefit from several kinds of social assistance.

The regional self-governments in different regions of Georgia use different methods (different amount and terms of social aid) to support large families [24]. In different regions, socially vulnerable families with 3 or more children are the ones who benefit from such support programs. Some self-governments have no program to support large families. The monthly monetary aid for each child in different self-governing units varies from 10 to 50 GEL (\$18). In addition to monetary assistance, local authorities offer some discounts on communal taxes.

Many EU countries allocate one-time financial aid for the birth of a child. The amount of one-time financial aid is usually more than the monthly family allowance. Such one-time payments are not covered by the state programs in Georgia. It could be covered by some self-governments but only for socially vulnerable families.

Some European countries (Germany, Finland, Sweden and Norway) provide assistance to families to cover additional costs related to child care. It is issued for 2 years and is mainly allocated for children aged 1 to 3 years. In Georgia, the state does not help families in paying for additional expenses for child care.

Within the financial support of the family, the state imposes certain tax privileges for families. Its purpose is to alleviate tax liabilities for families.

Promoting a proper and comfortable working environment in order to keep a harmony between a family and work is one of the ways to support a family. The employer offers the employee an appropriate conditions for maternity leave and keeps supporting her/him after returning to work. The state's goal is to develop appropriate working conditions for the family, namely to help them combine work and family duties, so they can have enough time for children.

In many European countries, both parents are given a vacation for a child care. The vacation period is distributed on the basis of agreement between them. The vacation can be distributed during pregnancy and the postpartum period. Its duration varies from 12 to 26 weeks and is compensated. The amount of compensation is 80% -100% of the salary.

According to the Labor Code of Georgia - Article 27, the duration of the leave due to pregnancy, childbirth and childcare, in case of an employee's request can be no longer than 730 days, however, the duration of paid leave is only 183 calendar days (26 weeks), but in case of complicated delivery or twins – 200 calendar days. The Labor Code of Georgia has determined the upper limit of the amount of monetary assistance during the paid leave – "no more than 1000 GEL (\$370)". According to the Labor Code of Georgia – Article 28, "employees should be given non-paid 12 weeks of leave in total at their own request, until the child is 5 years old". The wage before maternity leave determines the amount of compensation.

The duration of the paid maternity leave set by the Georgian legislation is in compliance with the EU standard. However, the upper limit (GEL 1000 = \$370) of the amount of money to pay for this period does not provide the effective financial assistance of the family. Employees should be able to get a full compensation without the upper limit.

## Conclusion

The study argues that the overall outcome puts Georgia in the non-interventionist model of family support policies. The family support policy in Georgia does not create adequate conditions for settling demographic problems. The financial assistance measures, such as: one-time financial aid for a childbirth, help in covering childcare costs and tax benefits are not even available. It is recommended that the state develop a family support policy program that will target low and middle income families across the country to improve the demographic condition. The selective approach is more appropriate for a low-income countries to achieve a maximum efficacy. Targeted state prog-

ram for improving demographic conditions, as a minimum basic package must be a standard for the whole country. The regions should be allowed to raise funds and add extra services. This approach will make the program more flexible. The financial assistance of the family should begin from the moment of the childbirth and should be in compliance with the needs of the child. Financial aid should be given until the child's adulthood. The State should provide tax benefits for large families, as well as social benefits for communal taxes, state transport and payroll fees in state educational institutions. The amount of money received during the maternity leave and child care should be determined by 100% of the monthly wage.

## ეკონომიკა

# ოჯახის მხარდაჭერის პოლიტიკა საქართველოში: გამოწვევები და გადაწყვეტის გზები

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საქართველოში ბოლო ათწლეულების მანძილზე შეინიშნება მძიმე დემოგრაფიული მდგომარეობა. 2014 წელს ჩატარებული მოსახლეობის საყოველთაო აღწერით, საქართველოს მოსახლეობა 2002 წელთან შედარებით 14,7%-ით შემცირდა. გაერთიანებული ერების ორგანიზაციის მიერ ჩატარებული კვლევების მიხედვით, 2050 წლისათვის საქართველოს მოსახლეობა 32%-ით შემცირდება. საქართველოში არსებული მძიმე დემოგრაფიული მდგომარეობა განპირობებულია დაბალი შობადობით, სიკვდილიანობის ზრდით, მოსახლეობის დაბერების ტენდენციით, მძიმე სოციალურ-ეკონომიკური მდგომარეობით (უმუშევრობა, მაღალი მიგრაცია).

კვლევა მიზნად ისახავს საქართველოში მოსახლეობის მკვეთრი შემცირების მიზეზების შესწავლას და იმის დადგენას, თუ რომელი მოდელი საუკეთესოდ აღწერს საქართველოში ოჯახის მხარდაჭერის პოლიტიკას. ოჯახის მხარდაჭერის პოლიტიკის შესაფასებლად გამოყენებულ იქნა გუტიერის ტიპოლოგია (1996), რომელიც მოიცავს ოჯახის მხარდაჭერის პოლიტიკის ოთხ მოდელს: პრო-ნატალისტური, პრო-ტრადიციული, პრო-ეგალიტარიანული და არაინტერვენციონისტული (სახელმწიფოს ჩაურევლობა). კვლევა ამტკიცებს, რომ საქართველოში ოჯახის მხარდაჭერის პოლიტიკა განეკუთვნება არაინტერვენციონისტულ მოდელს. აღნიშნული პოლიტიკა საქართველოში არ ქმნის სათანადო პირობებს დემოგრაფიული პრობლემების მოსაგვარებლად. საქართველოში გავრცელებულია მხოლოდ ოჯახის ფინანსური დახმარება და ისიც ვერ აკმაყოფილებს ევროკავშირის ქვეყნებში არსებულ სტანდარტებს. საქართველოში არ გამოიყენება ოჯახის ფინანსური დახმარების ისეთი ღონისძიებები, როგორცაა: ბავშვის დაბადებასთან დაკავშირებით ერთჯერადი ფინანსური დახმარება, ბავშვის მზრუნველობასთან დაკავშირებული ხარჯების დაფარვაში დახმარება და საგადასახადო შეღავათები. შეზღუდული სახელმწიფო ბიუჯეტის გათვალისწინებით და სახსრების ეფექტიანად გამოყენების მიზნით, მიზანშეწონილია სახელმწიფომ შეიმუშავოს დემოგრაფიული მდგომარეობის გაუმჯობესების ხელშეწყობის მიზნობრივი სახელმწიფო პროგრამა, რომელიც გათვლილი იქნება დაბალ და საშუალო შემოსავლიან ოჯახებზე და გავრცელდება მთელი ქვეყნის მასშტაბით. იგი უნდა წარმოადგენდეს ერთიან სტანდარტს მთელი ქვეყნისათვის, როგორც მინიმალური საბაზისო პაკეტი. ცალკეულ რეგიონებს თუ რაიონებს უნდა მიეცეთ საშუალება რომ ამ საბაზისო პაკეტს დაამატონ მასში არშემავალი სერვისები და გაზარდონ თანხები. ასეთი მიდგომა უფრო მოქნილს გახდის პროგრამას.

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