AGEING AND OLDER PERSONS IN GEORGIA

An Overview Based on the 2014 General Population Census Data

Bart de Bruijn
Maka Chitanava

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National Statistics Office of Georgia
United Nations Population Fund (UNFPA) Office in Georgia

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Preface

The National Statistics Office of Georgia and the United Nations Population Fund (UNFPA) Country Office in Georgia present *Ageing and Older Persons in Georgia - An Overview Based on the 2014 General Population Census Data*.

By its scale and content, the Census represents a unique source of data on the social, economic and demographic situation of the population in the country. As a result of the 2104 Census, the most current and accurate information has been collected on population size, its sex and age structure, employment, education, health, sources of income, housing and agricultural activities in Georgia. The present monograph, using the Census 2014 data, studies the above complex processes through the ageing lense and identifies the situation of old persons in Georgia.

This report is another step by UNFPA to support the use of reliable population data and its analysis in the formulation of rights-based policies, including on ageing, through cutting-edge analysis on population dynamics and its interlinkages with sustainable development.

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We are also grateful to the program area "Labor in post-transition and emerging economies" of IZA for granting access to the data of the Labour Informality Study.

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We would like to mention various publications, reports and research of both qualitative and quantitative nature published by UN sister agencies, the World Bank, Eurostat, as well as state agencies such as the Social Service Agency of Georgia, the Service Development Agency, and the National Center for Disease Control and Public Health.

Abbreviations

GDP	Gross Domestic Product
GEL	Georgian Lari
Geostat	National Statistics Office of Georgia
IDMC	Internal Displacement Monitoring Centre
IDP	Internally Displaced Person
IHS	Integrated Household Survey
LIS	Labour Informality Study
MDG	Millennium Development Goal
MoLHSA	Ministry of Labour Health and Social Affairs
NHA	National Health Accounts
OOPE	Out-of-pocket expenditures
PSA	Population Situation Analysis
SDG	Sustainable Development Goal
SDA	Public Service Development Agency
UHC	Universal Health Care
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNFPA	United Nations Population Fund
WHO	World Health Organization
WMS	Welfare Monitoring Survey

Administrative Map of Georgia

Key Findings

The Demography of Ageing

- The share of old persons – aged 65 or older – in the population of Georgia was 14.3 in 2014. The share of oldest old – persons aged 80 or older – was 3.1 percent. in absolute numbers, these shares represent 530 and 115 thousand persons, respectively.
- The population of 65 and older is the only major age group that increased in numbers since the 1989 census (478 thousand persons) and did not decline since the 2002 census (529 thousand persons).
- The share of old-age people in the total population was 8.8 percent in 1989 and 13.3 percent in 2002. UN projections suggest that the share of persons 65 and older will reach 18.9 percent in 2030 (732 thousand persons) and will further increase to 25.3 percent – to one in four persons – in 2050 (880 thousand persons). The oldest old population will more than double to 260 thousand persons in 2050. Official national projections should be made on the basis of the 2014 census.
- Large regional variation is found across the country in terms of the absolute numbers and proportions of old-age people, ranging from 11.0 percent in Adjara to 28.3 percent in Racha-Lechkhumi and Kvemo Svaneti. Remote municipalities in the north-western Caucasus area tend to have the highest shares of old people, while urban municipalities tend to have the lowest. It is likely that age-specific migration is the most important factor underlying the regional differences.
- The 2014 census found an old-age dependency ratio of 21.3, meaning that for every one older person, there are about five persons in the working age. This ratio is expected to increase to 29.7 in 2030 and 42.8 in 2050. For the development of the total dependency ratio, population ageing more than offsets the effect of dejuvination. As a consequence, the total dependency ratio is expected to increase from 49.0 in 2014 to 57.0 in 2030 and 69.6 in 2050.
- The number of years that a person who reaches age 65 can expect to live – the life expectancy at age 65 – is 13.0 years for men and 16.4 years for women. For the EU-28 countries, the life expectancy at age 65 is 5 years longer.
- Mainly due to longer life expectancy, women far outnumber men in the population of 65 years and over: for every 100 women in this age group, there are only 61 men. This sex ratio is 47 for the oldest-old, aged 80 and over.
- In the old-age population, 40.7 percent has migrated within Georgia, 30.0 percent for men and 47.2 percent for women. One in 20 older persons ever lived abroad. Census information about emigrants is too incomplete for reliable presentation.

Social Profile of Older People

- Widowhood and being divorced imply the lack of practical and emotional support that marriage usually can provide. in addition, they imply the elimination of one of two pensions, which no longer allows the economy of scale at household level. The risk of remaining alone and experiencing social isolation and economic deprivation is much larger for women at old-age than for men. Some 59.0 percent of women of age 65 and over (192 thousand) were widowed, against only 18.7 percent of old-age men (37 thousand), because of women's longer life expectancy and typical age difference between husband and wife. For the oldest-old these proportions are 78.4 and 41.4 percent, respectively.
- One third (32.9 percent) of the persons aged 65 and over live independently, either together with their spouse (16.6 percent, 88 thousand persons) or alone (16.3 percent, 87 thousand persons). One out of five (19.8 percent) older women live entirely alone, against one in ten (10.6 percent) men.
- The education profile of older persons is poor compared to that of younger adults. Some 18.0 percent of persons aged 65 and over completed only basic secondary, primary or no education,

against only 5.7 percent of the younger adult population aged 25 to 64. Higher or professional education is completed by 42.7 percent of the old-aged, against 56.1 percent by the younger adults. However, the education situation of older persons improved compared to 2002, when 39.6 percent completed basic secondary education or less and only 31.1 percent completed education beyond secondary level.

- Gender differences in educational attainment among older people are relatively small, but a large urban-rural differentiation is observed. Close to 58 percent of the urban old completed higher or professional education against only 28 percent in rural areas. Levels of attained education of basic secondary education or less are recorded for only 8 percent of urban old and 28 percent of their rural counterparts.
- The principle of 'life-long learning' is not realized for older people in Georgia, as none of them was recorded in the census as attending any education.
- There is a large variation in ageing across ethnic groups in Georgia. Whereas the large majority of ethnic Georgians have a proportion old-age population that is similar to the national average of 14.3 percent, the corresponding share among Russians is 30.8 percent. On the other hand, Azeris have a substantially smaller old-age population share (9.7 percent). Armenians closely resemble the Georgian pattern with 15.7 percent older people.
- Among displaced persons – almost all of whom are internally displaced – the share of old-age population is slightly lower than in the total population (12.0 percent). It is likely that the difference is caused by an age-specific displacement pattern, in which the older generations more often remain put and the younger more often move.

Economic Activity, Livelihoods and Material Wellbeing

- Many older people remain economically active, even up to high ages. The labour force participation rate of the population 65 and over is 48.4 percent, implying that almost half of the older people (246 thousand persons) are active on the labour market. Among the oldest old of 80 years and over, this is still 39.3 percent. Virtually all of the economically active old people – 97.4 percent – are actually working.
- Older men are significantly more often active on the labour market than older women: 64.5 and 38.4 percent, respectively.
- The large majority of working old – 85.1 percent, compared to 41.1 percent in the primary working ages 15 to 64 – are employed in the agriculture sector and a similar 84.8 percent have an occupation as farmers, almost all of whom are subsistence farmers. The fact that agriculture is one of the least productive sectors in the country implies that most older workers are stuck in marginal, low productivity employment.
- There is relatively little gender difference in the distribution of occupations. The proportions of agricultural workers are very similar. The largest gender difference is found in the percentage of professionals – predominantly teachers and health workers – which is twice as high for women as for men (8.8 against 4.6 percent). in most other occupational categories, the proportions of men exceed that of women.
- Older workers are overrepresented in the category of own-account workers: 82.1 percent, against 34.9 percent among 15 to 64 year-olds.
- The current pension system in Georgia has an almost complete coverage, 97.2 percent according to the census. For 84.2 percent of the older population (446 thousand persons), this is the main source of income; for the oldest old this is the case for 91.3 percent. For 8.0 percent of older women and 16.6 percent of older men, income from work is the most important source of income. At the time of the census, the pension amount paid was still below the level of the subsistence minimum. Since 2016, the pension payment exceeds this minimum level.
- The proposed pension reform of adding a private pension component may provide future generations of pensioners with a better income at retirement. However, the difference in retirement age for men (65 year) and women (60 year) put women at a disadvantage, as they will

have five years less to contribute and the accumulated funds will be lower for them. in addition, the higher female life expectancy implies that accumulated funds need to cover more pension years.

- On average one in 10 persons (9.6 percent) aged 65 and over received social assistance, but there is a large variation across the country in this proportion: from less than 5 percent in Samtskhe-Javakheti, Adjara and Kvemo Kartli to 46.5 percent in the mountainous region of Racha-Lechkhumi and Kvemo Svaneti. The existence of special support programmes for people in remote mountainous areas is probably one explanatory factor for part of this variation. According to the 16/07/2015 law of Georgia on the Development of High Mountainous Regions, permanent residents of high mountainous settlements enjoy several social benefits. Out of these benefits, elderly are entitled to the following ones:
    1. a monthly bonus to the state pension of at least 20 percent of the state pension;
    2. a monthly supplement of 20 percent of the social package for those permanent residents of high mountainous settlements who are the recipients of the social package a compensation of 50 percent of monthly charges for electricity consumed by residential users in high mountainous settlements, to a maximum of 100 kWh of consumed electricity.[1]
- Although there is some evidence to the contrary, most poverty-related indicators suggest that older persons are in an economically disadvantaged position if compared to younger generations. Many characteristics that are associated with poverty – such as living in a household without labour income, working in agriculture and being self-employed – apply to persons aged 65 and over.
- Census data show that older people have consistently less access than the younger adult population to household assets and dwelling facilities, such as a flush toilet, a bath or shower, water supply and sewage.
- The observations that pension payment in 2014 was below the level of the subsistence minimum, that less-educated older persons were more often working than well-educated person and that older workers were overwhelmingly employed in marginal, low productivity jobs suggest that many older people continue working out of economic necessity. Old-age activity on the labour market in Georgia should, therefore, not a-priori be interpreted in positive terms.

Health

- The introduction of the Universal Health Care programme in 2013 implied a major reduction in the private costs for health care expenditure born by older people. However, for around one third of old people private expenditures remain the main source of funding. Especially for medicine purchases – an important expenditure category for older people and usually not covered by health care insurances – 96 percent of the older population rely on the household budget.
- A majority (57.6 percent) of persons aged 65 and over consider themselves unhealthy (in bad or very bad health) and only 9.8 percent think that they have good or very good health. These figures are in stark contrast to those of younger generations, of whom 14.4 percent rate their health as poor and 64.5 percent as good or very good. Older women tend to rate their health more often as poor than older men.
- Women reaching age 60 can expect to live another 17.0 years in good health. The corresponding healthy life expectancy of men is 13.6 years. These figures mean that both men and women would live four-fifths of their remaining life years in good health and one-fifth in poor health, but women have 3.4 more years in good health.
- According to the 2014 census classification, 108 thousand persons of 65 years and older were recorded as disabled. This is 58.6 percent of the total number of disabled in the country. Some 20.5 percent of the old-age persons were classified as disabled and 33.5 percent of the oldest-old.

1 Source: 16/07/2015 law of Georgia on the Development of High Mountainous Regions. Available at: https://matsne.gov.ge/en/document/view/2924386 last accessed: July 31, 2017

- The majority of the old-age disabled are women: 70.6 thousand (65.2 percent) against 37.8 thousand men. However, there is not a large gender difference in disability prevalence (21.4 and 18.9 percent for older women and men respectively).
- Blindness and visual impairment is the most common type of disability recorded for the old in Georgia. Close to 13 percent of the old-age population reported this disability. Moving around is the second-most common disability (9.3 percent).
- Around 48 thousand older people (9.0 percent) suffer from two or more disabilities. The corresponding figure for the oldest old is 18.8 percent.
- Disabled old-age people have a disadvantaged position in society, which is, among others, expressed in lower labour force participation rates and lower levels of attained education.
- The self-reported disability status does not fully correspond to the disability status that is assigned for people to be entitled to a disability pension. However, the largest share (70 percent) of people aged 65 or over who were assigned the severest disability classification (group I) also had a self-reported disability status. For the two less severe groups, these shares were smaller, 48 and 42 percent for groups II and III, respectively. Only 15.7 percent of older people who reported themselves as disabled were entitled to some form of disability pension.
- According to the Public Service Development Agency, by far the most important cause of death of older people (18.6 thousand cases, 46.8 percent) are diseases of the circulatory system, at a distance followed by neoplasms (4.0 thousand cases, 10.3 percent). However, 30.2 percent (12.0 thousand cases) of deaths among older persons is not properly classified.

1. Introduction

1.1 The Policy Context of Ageing

Population ageing – the increasing share of older persons in the population – has become one of the most significant demographic processes across the world. Compared to many other countries, Georgia is already in an advanced stage in this process, although by no means near the end of it. The effect of this demographic development is evident in the country, but the full impact and consequences – at both the individual and societal level – are yet to be experienced; and in a vast number of sectors and spheres of life: family structures, intergenerational ties and living arrangements, economic productivity and growth, investment- and consumption patterns, savings, taxation, supply and demand for labour, demand for services, such as health care, social protection, transportation, voting patterns and political influence and many more. In many ways, the increase of the share of older population, with a decreasing economic support ratio and increasing costs for pensions and care, will test the economic resilience of country. On the other hand, if specific conditions are met, an ageing society may also provide an opportunity to economic growth: a 'second demographic dividend[1], as termed by Lee and Mason (2010). This demographic dividend can be realised if increasing longevity motivates people to accumulate assets for old age and the increased volume of savings boosts investments in human and physical investments. This is more likely to happen in societies that do not rely solely on public or familial transfers to finance older persons' livelihoods, but also promote retirement savings.

The Second World Assembly on Ageing in April 2002[2] addressed many of the challenges related to population ageing. Although it addressed the economic implications of ageing, its focus was on the position of older people in society. The Plan of Action that was adopted focused on three priority areas, thereby providing guidance for policy makers to address population ageing and the wellbeing of the older population: (a) older persons and development; (b) advancing health and well-being into old age; and (c) ensuring enabling and supportive environments (United Nations 2002). The Plan aimed to ensure that older people fully realise their human rights, achieve secure and poverty-free ageing, fully take part in economic, political and social life, and have opportunities to develop in later life. It also focused on eliminating violence and discrimination against older persons, gender equality, the vital importance of families, health care and social protection for older persons. Similarly, population ageing prominently features in the 2030 Agenda for Sustainable Development in relation to the goals on poverty eradication, ensuring healthy lives and well-being at all ages, promoting gender equality and full and productive employment and decent work for all, reducing inequalities between and within countries, and making cities and human settlements inclusive, safe, resilient and sustainable (United Nations 2015a). The message is that the agenda's goals and targets should be met for all segments of society – explicitly also referring to persons of old age – according to the principle of "leaving no one behind".

In 2013, the government of Georgia, together with the United Nations Economic Commission for Europe (UNECE) took the steps to design a roadmap for mainstreaming population ageing issues in Georgia in accordance with the Madrid International Plan of Action. This Roadmap on Mainstreaming Ageing and its recommendations (UNECE 2014) provided the basis for the 'State Policy Concept on the Ageing Issue in Georgia' that was adopted by the national parliament in May 2016. This concept presented the main directions and goals of the state policy and urged the implementation and monitoring of the 2016-

1 A first demographic dividend relates to a changing age structure that caused by a sustained drop in the fertility level.

2 Second World Assembly on Ageing (8-12 April 2002 - Madrid, Spain). Available at: http://www.un.org/en/events/pastevents/ageing_assembly2.shtml, last accessed on July 31, 2017

2018 National Action Plan, with technical support by the UNFPA and the UNECE. This action plan identifies the following 13 priority areas:

- Mainstreaming ageing
- Integration of older persons in the society
- Perception and image of older persons and media reporting
- Social protection
- Labour markets and employment
- Life-long learning
- Health and well-being
- Mainstreaming of gender approach
- Intergenerational solidarity
- Migration
- Integration in to the international processes
- Research and data collection
- Monitoring and evaluation

1.2 Aim and Contents of the Report

The 2014 General Population Census of Georgia provided key information that is relevant for many policy areas of the government of Georgia and other stakeholders. UNFPA Georgia and the National Statistical Office (Geostat) took the initiative to explore the census results for the specific themes of ageing, youth (Eelens, 2017), population dynamics (Hakkert, 2017) and sex ratios (Guilmoto and Tafuro, 2017). This report aims at presenting those aspect emerging from the census that are related to ageing and older people in Georgia, and those that are relevant for the implementation and monitoring of the National Action Plan on ageing and the SDG Agenda.

The core of the information presented in this report consists of the results of the 2014 General Population Census. Occasionally, additional data sources are used to provide relevant information that is not provided by the census. Because of its scale and content, the census represents a unique source of information on the social, economic and demographic situation of the population in the country. As a result, the most updated information has been obtained on the population size, sex and age structure, employment, education, health, sources of income, housing and agricultural activities. During the last decade, UNFPA has been assisting the Government of Georgia in strengthening the capacity of the Geostat with the objective to support the body of evidence for the formulation of rights-based policies, including on ageing, through analysis on population dynamics and its interlinkages with sustainable development.

The census was conducted by Geostat with the support of UNFPA and the Government of Sweden during the period of November 5-19, 2014. The 2014 census covered 82 percent of the entire territory of Georgia – not including Abkhazia, Georgia and South Ossetia/Tskhinvali Region, Georgia – and 79 percent of the settlements. The information of the 2014 census in this report only refers to the population covered in these areas and settlements.

The subsequent chapters of this report provide four different, but often interrelated perspectives on ageing and older people in the country. Where relevant and feasible, the information presented juxtaposes the older population with the younger generations, compares the situation as recorded by the 2014 and 2002 censuses and highlights gender differences and their causes and consequences.

Chapter 2 presents a demographic perspective. It starts with a brief description of the general principles of population ageing and the specific courses of the component processes of fertility decline, increasing life expectancy and migration in the recent history of Georgia. It further elaborates on the significance of the older population in the age distribution, over time and across geographic areas in the country, as well as on the change in life expectancy in recent years, gender-specific mortality and its implications for the gender balance at old age and the migration backgrounds of the older population. Finally, it pays attention to the increasing share of 'oldest old' in the population, as ageing not only implies that the older population becomes more prominent, but also that the older population itself is ageing.

Chapter 3 focuses on social aspects of ageing and older persons, including marital status, living arrangements and education backgrounds. In addition, it presents the profiles of specific sub-

groups in Georgian society.

Chapter 4 discusses various economic features of the older population, such as their participation on the labour market, income sources and the importance of old-age pensions, poverty and material wellbeing and housing conditions.

In chapter 5, a general background is provided on health care expenditure and household contributions to health financing, as older persons are on average the largest health care consumers. Other health aspects that are covered in this chapter include older persons' health status, disability and causes of death. The main findings of the report are highlighted in the conclusion at the end of the report and in the executive summary at the beginning.

1.3 Methodology

1.3.1 Methodological Approach

The largest share of information presented in this report is derived from the 2014 census, either from publicly available census results or from census output compiled and provided by Geostat for the particular purpose of this report. Additional quantitive and qualitative data sources are used, including data from UN agencies, the World Bank, Eurostat, various surveys and administrative data from the Social Service Agency, the Service Development Agency, the National Center for Disease Control and Public Health, as well as information from secondary data sources. During the preparation mission to Tbilisi, several meetings were organised with stakeholders and key informants, including UNFPA, Geostat and different departments of the Ministry of Labour, Health and Social Affairs and the Ministry of Economy and Sustainable Development.

1.3.2 Definition of Older Persons

The concept of 'older person' is a subjective consideration. Apart from individual valuations, the question who are considered old is answered very differently across countries and very differently now than 50 or even 30 years ago. These different answers are especially related to the generally increasing life expectancies, better health at older age and increasing facilities that enable older people to actively participate in society with different sets of roles and characteristics. This is, for instance, reflected in the rising age of official retirement – even beyond 65 – in a number of highly developed countries.

The declaration of the World Assembly on Ageing and the UN statistical and policy documents adopt 60 as the threshold of old age. However, in statistics of Eurostat and the UNECE, 65 is used to distinguish older people. In this report, the latter criterion – age 65 – is applied, as this better concurs with European standards, the advanced stage in the ageing process and the official retirement age of men[3]. Whenever the terms 'old', 'older' or 'old-age' population is used, they refer to people aged 65 or older. In addition, in this report the category of 'oldest old' refers to persons aged 80 and over.

3 The 'Road map for mainstreaming ageing: Georgia' (UNECE 2014) also uses 65 as the distinguishing age.

2. The Demography of Ageing

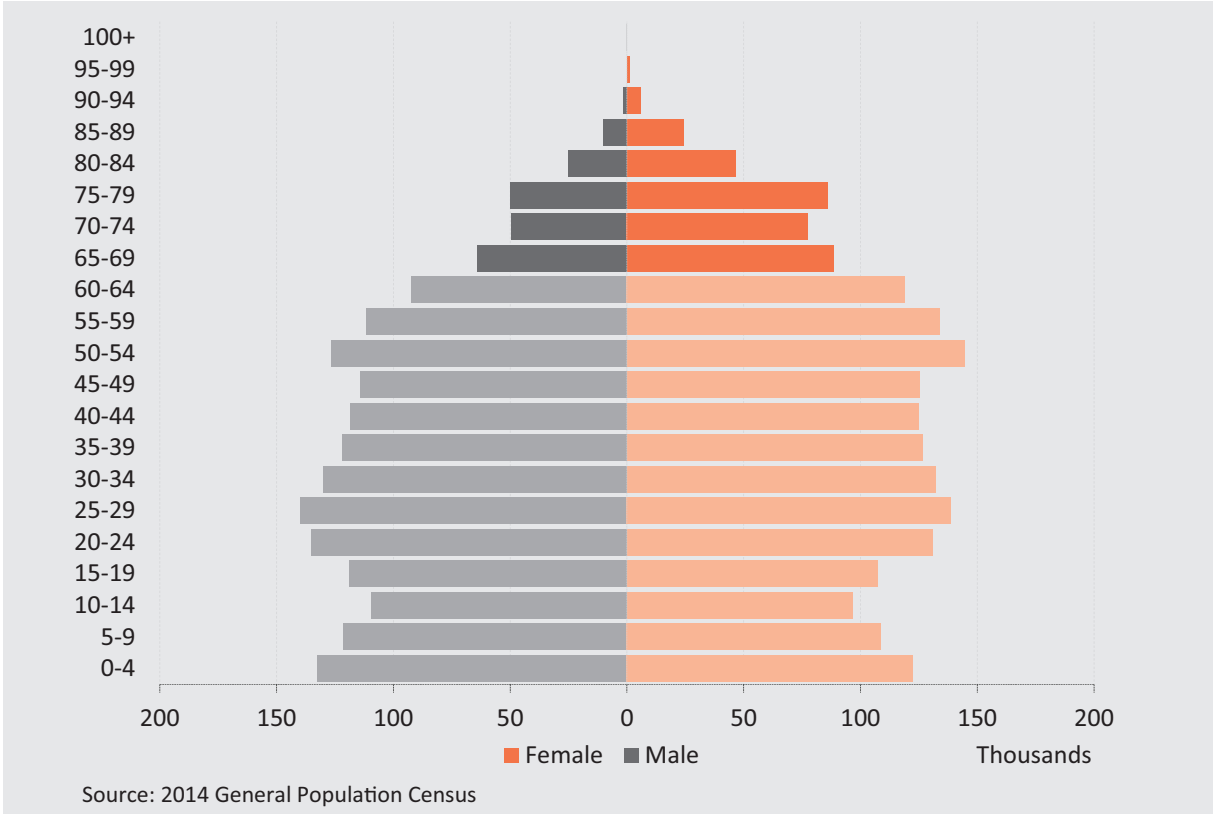
2.1 Determinants of Ageing

The increasing share of older persons in the population – ageing – is a combined effect of the partly related demographic processes of fertility decline and increasing life expectancy, while migration can have additional important impact. In the long run, fertility and mortality are the stronger forces in changing the age distribution than migration. However, large-scale migration flows are able to reshape the age structure in a short period of time if there are significant differences in age-specific migration. Whereas overall trends in ageing are influenced by national developments in fertility, mortality and international migration, similar mechanisms are observed at sub-national level, due to region-specific fertility- and mortality changes and internal age-specific migration patterns.

Fertility decline has been the primary determinant of population ageing. UN estimates suggest that the total fertility rate (TFR) in Georgia was already as low as 3.0 children per women in 1950 (United Nations 2013) and dropped below the replacement level of 2.1 in the early 1990s (United Nations 1997, UNFPA 2014). The current UN estimate of 1.81 children per woman is admittedly too low and will probably be revised in the next estimation round. Current estimates based on civil registration data and census information produce estimates for the TFR that range between 1.98 and 2.40 and is most recently estimated at 2.0 (Hakkert, 2017). The below-replacement fertility is reflected in the small young birth cohorts in the population pyramid of Georgia (*Figure 2.1*), which reduce the weight of the population below 65 compared to the old-age population.

On the other hand, as fertility rates come down,

Figure 2.1: Population by age, and by sex, 2014 (in thousands)



Source: 2014 General Population Census

mortality decline, especially at older ages, asserts an increasingly important weight in population ageing. In countries where low fertility has prevailed for a significant period of time, relative increases in the older population are primarily determined by improved chances of surviving to old ages. The effect of increased life expectancy is not only that more people survive to old age, but also that old-age persons tend to live longer. UN estimates suggest that the life expectancy at birth in Georgia increased from 60.7 in the early 1950s to 74.5 in the period 2010-2015 (United Nations 2013, United Nations 2015b). Calculations that use census data as reference points suggest that the life expectancy is somewhat lower, at a level around 72.1 years (Hakkert, 2017).

To the extent that migration patterns are age-specific, they can have substantial impact on the age distribution of a population. Despite the unreliability of migration statistics in Georgia, it is evident that in the years following independence in 1991, the country experienced massive emigration, amounting to an order of magnitude of up to one million people moving abroad (UNFPA, 2014). Of all former Soviet republics, Georgia, together with Armenia, experienced the highest negative migration rates in these years (cf. Sidorenko, 2016). As migrant profiles tend to show a concentration in the young adult ages, it is likely that this large-scale outflow had a major effect on the age distribution towards a larger share of old people. Although the magnitude of emigration subsided from the late 1990s onward, net migration remains negative and probably further reduces the weight of the population below age 65, thereby augmenting the ageing process in Georgia.

2.2 Older People in the Population

2.2.1 The Old-age Population in 2014

The 2014 General Population Census enumerated 530 thousand residents – 14.3 percent of the population – aged 65 years or older. This is close to the UN estimate of 14.0 percent for 2015 (United Nations, 2015c).[4] The number of oldest old – 80 years and over – amounted to 115 thousand persons or 3.1 percent of the population. *Figure 2.1* shows the age- and sex distribution of the population, highlighting the age groups that are the subject of this report at the top of the pyramid.

The UN estimates suggest that Georgia ranks 48th for the proportion old-age persons among 201 countries and areas for which estimates are available. Compared to countries in the region, the share of the older population takes an intermediate position, close to that of the Russian Federation and Ukraine, below Romania and Bulgaria, but well above Armenia, Moldova and especially Azerbaijan and Turkey (*Table 2.1*).

2.2.2 The Older Population Over Time

The current population as presented in the age pyramid of *Figure 2.1* is the results of the combined processes of fertility, mortality and migration. Declining fertility – with a total fertility rate now estimated at 2.0 (Hakkert, 2017) – has reduced the absolute and relative size of the younger age groups, whereas higher life expectancy has increased the number and share of the older age groups. In addition, large-scale emigration had an important impact on the age distribution of the population, as it disproportionally involves young adults. Wherever there are large emigration flows, also sizable return migration will occur, which, however, tend to fuel the relatively older adult age cohorts.

In historical perspective, the number and share of the older population has significantly increased. Successive censuses in Georgia indicate that the older population has steadily increased from 142 thousand in the 1926 census to 530 thousand in 2014. In fact, in an overall declining population, the population of 65 and older is the only major age group that showed an increase in absolute numbers since the 1989 census (478 thousand

4 Including Abkhazia, Georgia and South Ossetia/Tskhinvali Region, Georgia.

Table 2.1: Percentage of the population aged 65 or over and aged 80 or over, by year, for selected countries, 2015

Country	Percent aged 65 or over			Percent aged 80 or over		
	2015	2030	2050	2015	2030	2050
Azerbaijan	5.6	12.5	16.9	1.3	1.0	3.8
Turkey	7.5	12.1	20.6	1.4	2.2	5.4
Republic of Moldova	10.0	17.1	22.9	2.2	2.1	4.8
Armenia	10.8	18.7	24.1	2.9	2.8	7.1
Russian Federation	13.4	18.8	20.9	3.1	3.3	5.1
Georgia	**14.0**	**18.9**	**25.3**	**3.6**	**3.7**	**7.5**
Ukraine	15.3	19.9	23.3	3.4	3.6	5.5
Romania	17.3	21.7	29.2	4.1	5.3	8.7
Bulgaria	20.0	23.1	28.6	4.5	5.9	7.6

Source: UN population estimates and projections (United Nations, 2015b); 2015 data for Georgia: census (2014)

older persons), even though the increase between the 2002 and 2014 censuses has been minimal (around one thousand persons only).

Figure 2.2 shows the historical trend in the shares of the different major age groups as recorded in the successive censuses since 1926[5] and the projected age distributions for 2030 and 2050 according to the United Nations. The proportion of the older population shows a steady increase, with an acceleration between 1989 and 2002 (from 8.8 to 13.2 percent), which is mostly due to the large-scale emigration in the years after independence, in which relatively few older people were involved. The continued increase of the share of older persons in the total population between 2002 and 2014 (from 13.2 to 14.3 percent) is more affected by declining numbers of the younger age groups 0-19 and 20-39 than by the increase of the older population itself. However, as can be inferred from the relative large age groups from 50 to 64 (see *Figure 2.1*) that will replace the age groups 65 to 79 over the next 15 years, the older population will significantly increase again, both in absolute and relative sense. According to the projections of the United Nations, the share of persons 65 and older will reach 18.9 percent in 2030 and further increase to 25.3 percent – one in four persons – in 2050.

5 For 2002, the census-based retro-projections (Hakkert, 2017) were used.

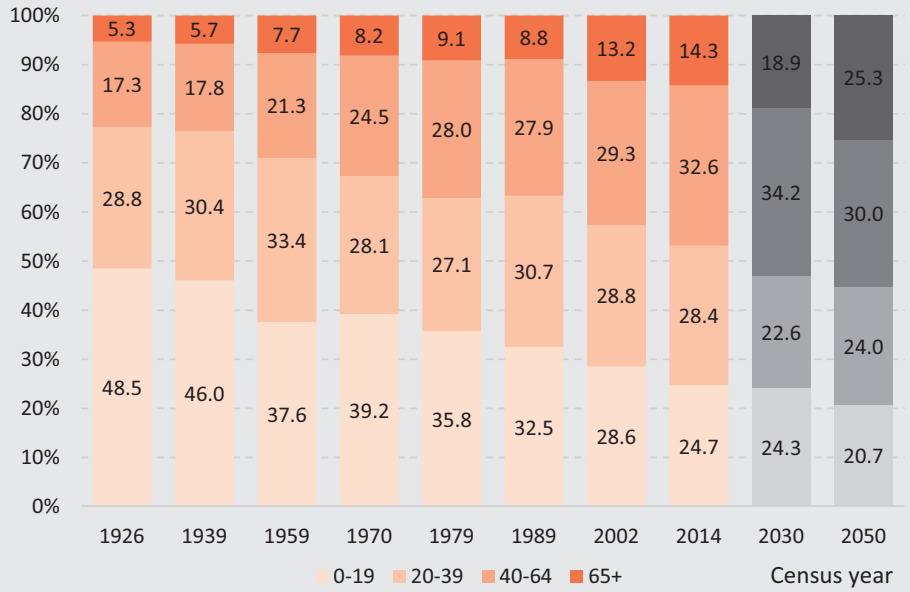
2.2.3 Regional Variation

Table 2.2 provides the number of old-age persons and oldest-old persons per region. As for the total old-age population, there are very large differences in the absolute numbers, ranging from around 9 thousand people aged 65 and over (representing 2 percent of the total old-age population) in Racha-Lechkhumi and Kvemo Svaneti to 133 thousand people (25 percent of the total older population) in Tbilisi.

Although quite some regional variation is observed in the proportion of older persons in the population, the shares in most regions range between 11 and 17 percent or 3 percentage points or less from the national average of 14.3 percent. Tbilisi, with 12.0 percent population 65 or older is among the four regions that are below the average, together with Adjara A.R. (11.0 percent), Kvemo Kartli (11.2 percent) and Samtskhe-Javakheti (14.0 percent). Five other regions have a share of up to 17 percent older population, from Shida Kartli (close to the national average) to Imereti with 17.5 percent and including Mtskheta-Mtianeti, Samegrelo and Zemo Svaneti and Kakheti. The region of Guria (18.8 percent) has a somewhat larger share of old population, but the region of Racha-Lechkhumi and Kvemo Svaneti takes an exceptional position with 28.3 percent old-age population.

Figure 2.3 presents the proportion of the

Figure 2.2: Distribution of major age groups, 1926-2050 (in percentages)



Sources: 1926 to 1989 and 2014: population censuses; 2002: census-based retro-projections (Hakkert, 2017), 2030 and 2050: UN projections (United Nations, 2015c)

Table 2.2: Population aged 65 and over and aged 80 and over, by region, 2014 (in absolute numbers and in percentages)

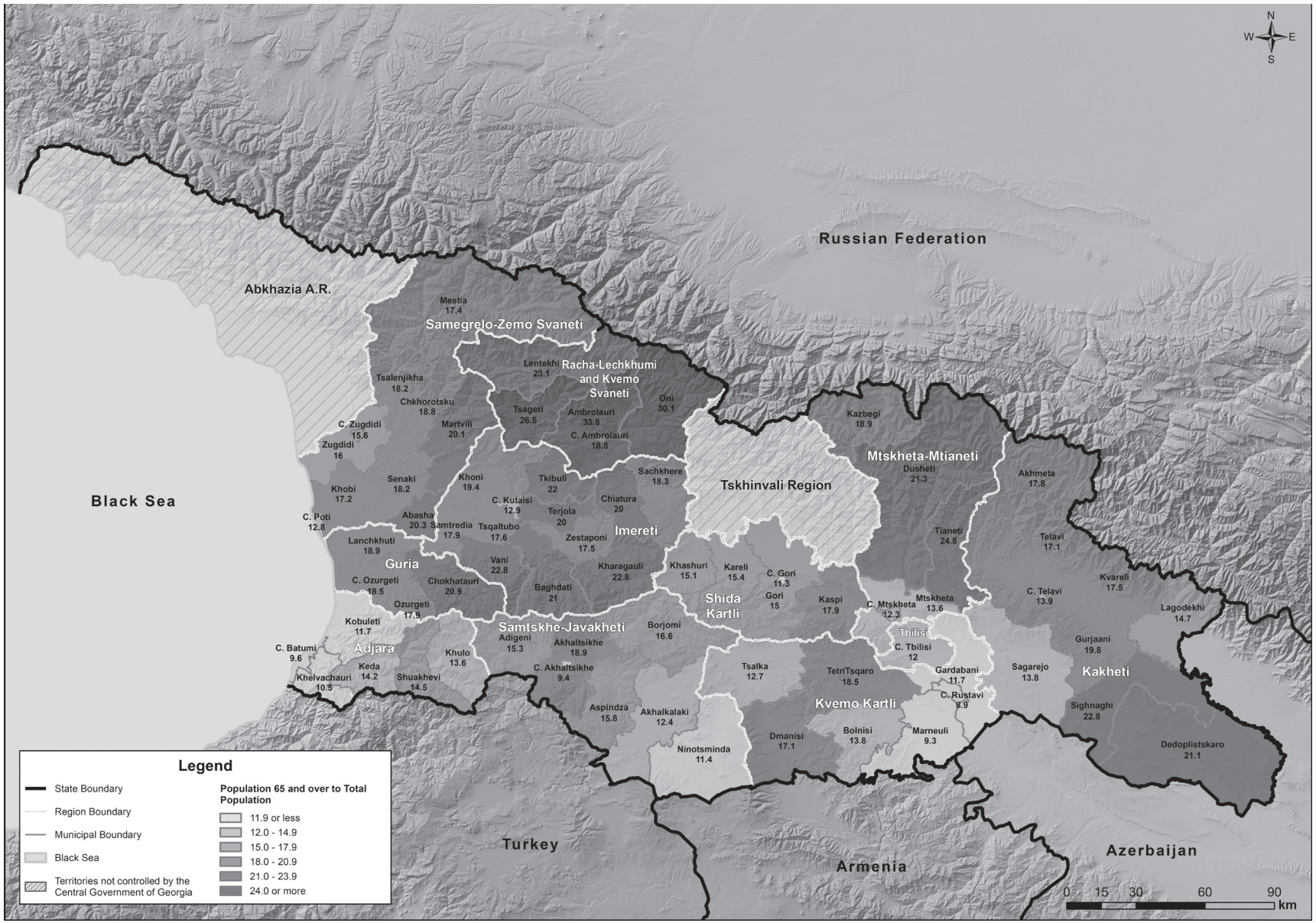
Region	Persons		Percentage	
	65+	80+	65+	80+
Georgia	**530,207**	**115,136**	**100.0**	**100.0**
Tbilisi	132,844	25,602	25.1	22.2
Adjara A.R.	36,596	6,788	6.9	5.9
Guria	21,256	4,854	4.0	4.2
Imereti	93,530	21,735	17.6	18.9
Kakheti	55,483	12,882	10.5	11.2
Mtskheta-Mtianeti	15,988	3,697	3.0	3.2
Racha-Lechkhumi & Kvemo Svaneti	9,086	2,452	1.7	2.1
Samegrelo & Zemo Svaneti	56,326	12,308	10.6	10.7
Samtskhe-Javakheti	22,403	5,835	4.2	5.1
Kvemo Kartli	47,454	10,542	9.0	9.2
Shida Kartli	39,241	8,441	7.4	7.3

Source: 2014 General Population Census

population 65 years or older at the level of municipalities. It shows the concentration of the aged populations in the northern belt of the country, with ageing hotspots found in the north-western corridor of Imereti- Racha-Lechkhumi and Kvemo Svaneti, especially in the municipalities fringing the Caucasus mountains (up to 30.1 percent older persons). Municipalities[6] with the

6 Formally, Tbilisi, Batumi and Rustavi are not municipalities, but have the status of self-governing cities. For the sake of clarity, here the term 'municipalities' is maintained.

Figure 2.3: Proportion of persons aged 65 and over, by municipality, 2014



lowest shares of old people include the major urban areas of Rustavi (8.9 percent), Batumi (9.6 percent) and Tbilisi (12.0 percent), as well as number of other municipalities on the southern border and at the Black Sea coast.

It is likely that the large differences in the proportions older population are not so much caused by variation in fertility, but mostly by age-specific migration patterns (see e.g. Eelens, 2017), in which young adults tend to move to areas with more employment and education opportunities, either within Georgia or abroad (see also section 2.6 on migration). Older people generally have a lower inclination for migration and as a consequence, concentrations of the old-age population are found in the more remote and less developed areas of the country.

This picture is supported by the distribution of older person by urban-rural residence. Overall, about the same number of old people live in urban and rural areas (263 thousand against 267 thousand, respectively). However, the share of the older population is 36 percent higher in the rural areas than in the urban areas (16.8 against 12.4 percent, respectively).

2.2.4 Old-age Dependency Ratio

The Old-Age dependency ratio is an indicator of the relation between the older population (aged 65 and over) and the population in what is generally considered the working-age (ages 15 to 64). It is a rough indicator that allows comparison of the 'burden' of the old population (who, on average, consume more than they produce) that depends on the population of principal working age (who, on average, produce more than they consume). The indicator is calculated as the ratio between the population aged 65 and over and the population aged 15 to 64.

The 2014 census found an old-age dependency ratio of 21.3, meaning that for every one older person, there are nearly five persons in the working age. With this ratio, Georgia takes a middle position among the neighbouring countries, together with Ukraine and Russia (*Figure 2.4*). Countries that are more advanced in the ageing process – Romania and especially Bulgaria (30.4) – have considerably higher dependency ratios, whereas countries with large shares of young people – in particular Turkey and Azerbaijan (7.8 only) – have significantly lower old-age dependency ratios.

Figure 2.5 shows the change of the indicator over time. The generally moderate increase in the period between the 1926 and 1989 censuses is mainly caused by the combined effect of gradual fertility decline and increase in life expectancy. The upsurge between 1989 and 2002, on the other hand, can largely be attributed to disproportionate emigration of the population in working age, compared to the population of 65 and older.

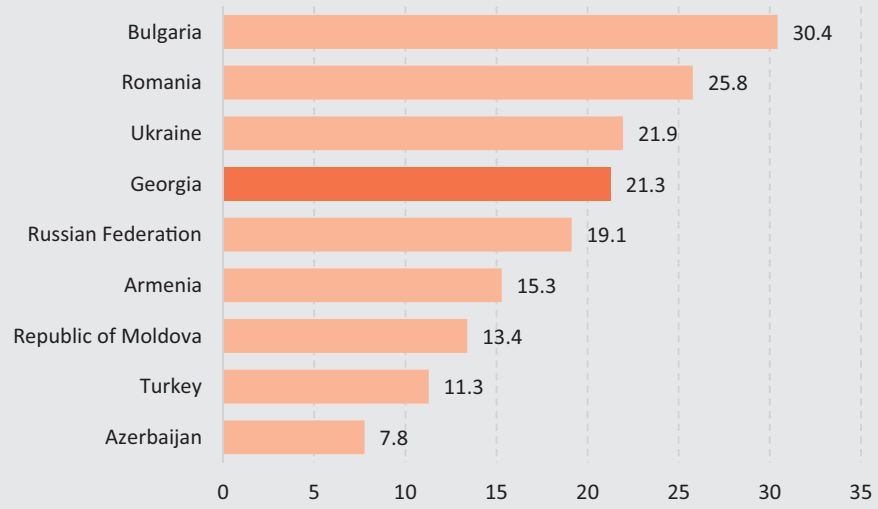
Expectations of the future development of the old-age dependency ratio (United Nations 2015c) show a further rapid increase to 29.7 by 2013. For 2050, a level of 42.8 is projected – twice as high as the current situation – meaning that for every one older person, there will be only 2.3 persons in the working age. At that time, the working-age population is expected to have decreased from 2.5 million in 2014 to 2.1 million, whereas the population above working age will have increased from 530 thousand to 880 thousand persons.

The old-age dependency ratio is one component of the total dependency ratio, which in addition takes into account the child dependency ratio. The latter is the ratio between the dependent population under age 15 and the working-age population. The total dependency ratio was 49.0 in 2014, meaning that for every person in the productive ages 15 to 64 there was almost exactly one person – either a child or an older person – who is part of the population that is producing less than it is consuming.

As can be seen from the downward trend of the total dependency ratio[7] in *Figure 2.5*, the gradual increase of the old-age dependency ratio has been more than offset by the child dependency ratio up to situation at the time of the 2014 census. However, this census marks the period in which the combined effect of the child- and old-age dependency ratios will reverse the total dependency ratio: from now on it can be expected that the number of dependent persons will

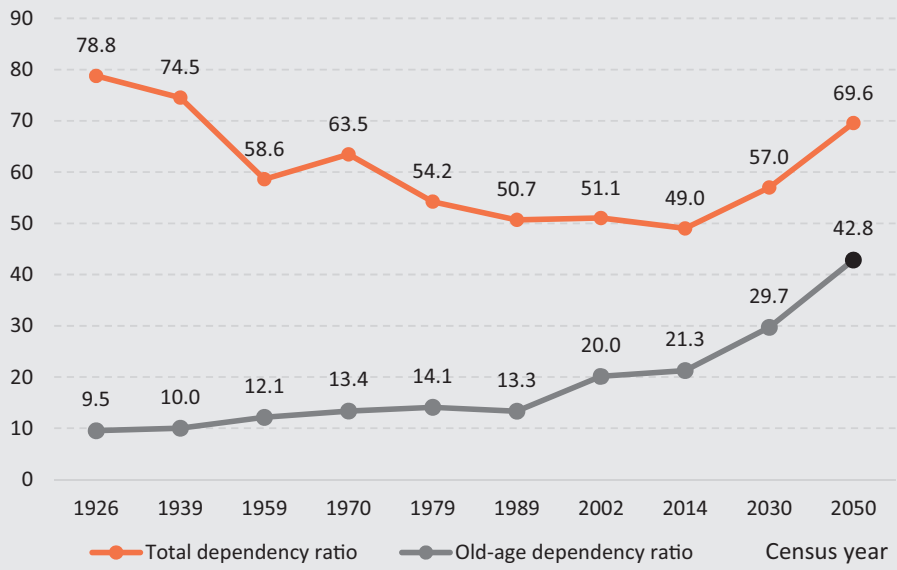
7 For details on the development of the child-dependency ratio, see Eelens, 2017)

Figure 2.4: Old-age dependency ratio for selected countries, 2015



Sources: Georgia: 2014 General Population Census; other countries: UN population estimates and projections (United Nations, 2015b)

Figure 2.5: Total- and old-age dependency ratio, 1926-2050



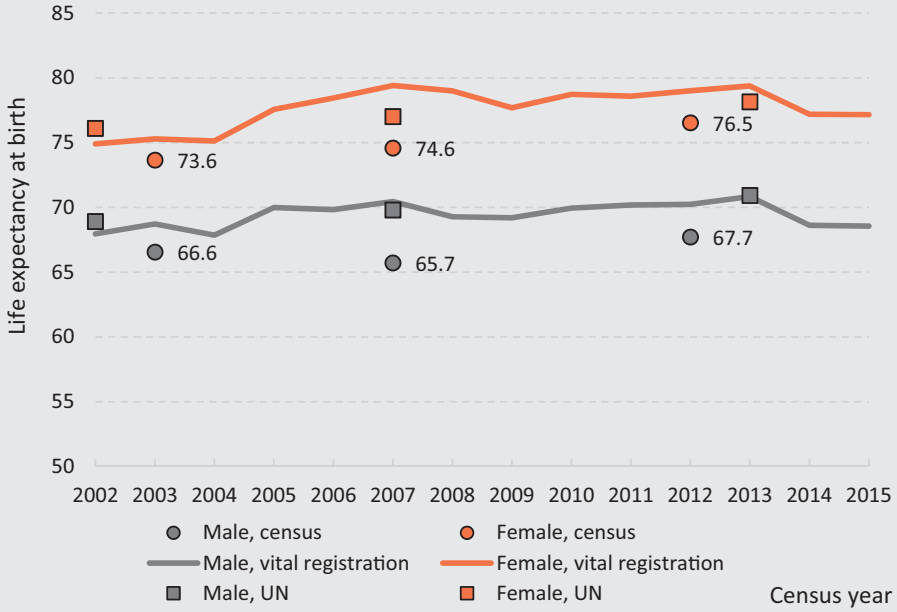
Sources: 1926 to 1989 and 2014: population censuses; 2002: census-based retro-projections (Hakkert, 2017), 2030 and 2050: UN projections (United Nations, 2015c)

outweigh the number of persons in the productive ages.

2.3 Life Expectancy

Mortality analysis that used census data as reference points (Hakkert, 2017) produced life expectancies at birth for the period 2010-2014 of 67.7 and 76.5 years for males and females, respectively. Compared to the calculated life expectancies for the period 2002-2004 (66.6 and 73.6, respectively; see *Figure 2.6*), this would suggest a substantial increase in life span of 1.2 years for men and 2.9 years for women and implies that in the intermediate 9-year period mortality conditions have improved, on average annually

*Figure 2.6: Trends in male and female life expectancy at birth according to different methodologies, 2002 to 2015a**



Sources: census: Hakkert, 2017; vital registration: civil registration; UN: United Nations 2013 (2003 and 2007)

** Census-based estimates for 2003, 2007 and 2012 refer to, respectively, the periods 2002-2004, 2005-2009 and 2010 to 2014. UN estimates for 2002, 2007 and 2013 refer, respectively, to the periods 2000-2005, 2005-2010 and 2010-2015*

adding 1.7 months to the male life expectancy and 3.9 months to the female life expectancy. The census-based calculation of life expectancies produces lower estimates than the ones calculated on the basis of vital registration data and UN estimates (United Nations, 2013) (see *Figure 2.6*).

Except in extraordinary circumstances, higher life expectancy for women is commonly observed in populations, as men are usually at a higher risk of dying than women, not only due to sex differentials in natural death rates, but also due to higher risk from external causes, such as accidents, injuries, violence, war casualties, etc. All methods for calculating the life expectancy in Georgia show considerable differences between the figures for men and women. The census-based calculations, as well as vital registration data suggest that around 2012, women would have expected to live 8.8 years longer than men. This would imply an increased gender gap compared to the period around 2003, when – according to the census-based calculations – women outlived men by 7.1 years.

United Nations estimates show that such large gender gaps in life expectancy are not uncommon in the region. The difference in most countries ranges between 6 and 8 years longer life expectancy at birth for women and in Ukraine (9.9 years difference) and Russia (11.4 years) it is even much more (see *Table 2.3*)[8]. On the other hand, the average gender gap in the EU-28 countries was only 5.5 years in 2014, ranging from 10.9 years in Lithuania to 3.5 years in the Netherlands (Eurostat, 2016).

The census-based calculations (Hakkert, 2017) also provide information about the number of years that a person who reached the old age of 65 could expect to live from that moment onward. This life expectancy at age 65 for the period 2010-2014 was 13.0 years for men and 16.4 years for women[9]. This means that a 65-year old man would

8 Most countries in the region show particularly large differences between men and women in the probability of dying in the adult age group 15 to 60.

9 These estimates are close to the official 2014 figures based on civil registration data: 13.3 and 16.8 for men and women, respectively.

Table 2.3: Life expectancy at birth and at age 60 for selected countries, 2010-2015

Country	Life expectancy					
	at birth		gender gap	at age 60		gender gap
	males	females		males	females	
Russian Federation	64.2	75.6	11.4	15.2	20.7	5.5
Ukraine	65.7	75.7	9.9	15.2	20.2	5.0
Republic of Moldova	67.2	75.4	8.2	14.8	19.5	4.7
Azerbaijan	57.5	73.8	6.2	16.4	19.9	3.5
Bulgaria	70.6	77.6	7.0	17.0	21.2	4.2
Armenia	70.7	78.4	7.7	17.0	21.9	4.9
Georgia	**70.9**	**78.1**	**7.2**	**17.5**	**21.6**	**4.1**
Romania	70.9	78.1	7.2	17.6	21.6	4.0
Turkey	71.5	78.1	6.6	18.6	22.7	4.1

Source: United Nations, 2015b

on average reach an age of 77.5 and a woman of 65 would on average live up to an age of 81.6. As a reference, in the EU-28 countries the life expectancy at age 65 for 2014 was, respectively, 18.2 and 21.6 years (Eurostat, 2016), implying that 65-year old men would on average reach an age of 83.2 years and women of the same age 86.6. Similarly, once reaching age 80, men in Georgia have a life expectancy of 5.6 years and women one of 6.7 years. These progressions in life expectancies imply that the gender gap in remaining years of life is closing with age.

For the countries in the region the UN provides comparable statistics about the number of additional years that a person who survives to age 60 could expect to live. These UN estimates – again somewhat higher than the census-based estimates – suggest that Georgia ranks high within the region, with a life expectancy at age 60 of 17.5 years for men and 21.6 years for women (see *Table 2.3*).

2.4 Sex Ratio

Despite the biological standard that more boys than girls are born (on average around 105 boys for 100 girls[10]), in the old-age population, women tend to outnumber men, with a difference increasing with age. As they grow up, men are at a higher risk of dying than women not only due to sex differentials in natural death rates, but also due to higher risk from external causes (accidents, injuries, violence, war casualties, etc.). Consequently, at age 65, more women than men tend to have survived from birth.

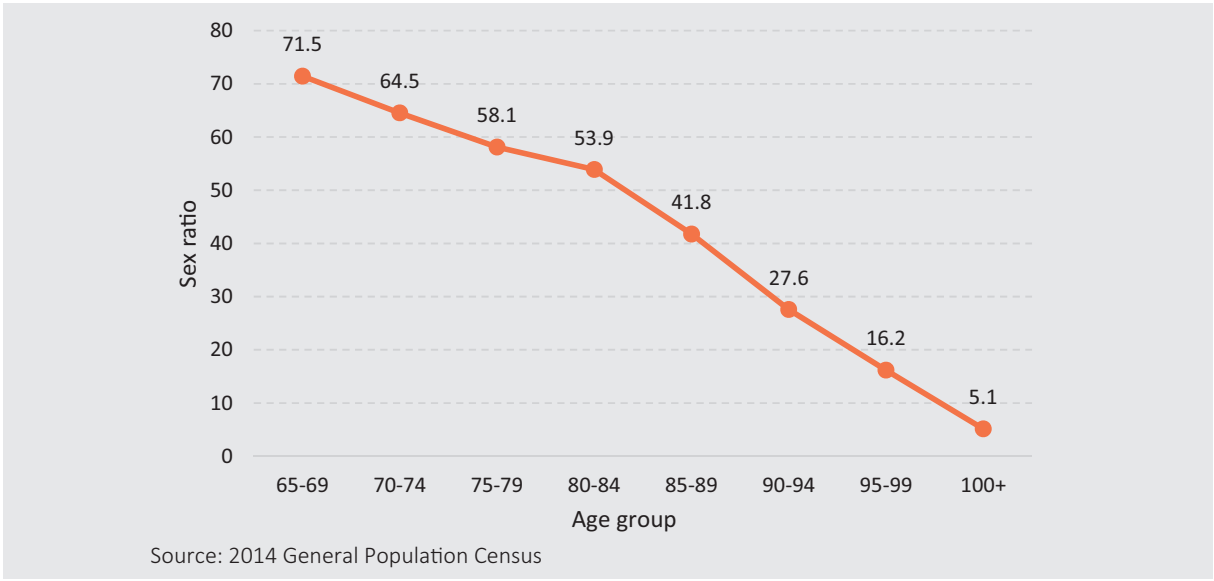
This pattern is also observed in Georgia, as is visualised in the population pyramid of *Figure 2.1*, in which the numbers of women in the age groups over 65 are clearly larger than those of men. Whereas in the total population there are 91 men for every 100 women, in the population aged 65 and over this sex ratio[11] is 61 and steeply declines from 71 in the age group 65-79 to only 5 in the oldest age group 100 and over (*Figure 2.7*).

The 2014 census also recorded substantial differences in sex ratios between urban and rural areas. This is the case for the total population (86 against 99 males per 100 females, respectively) and at a lower level, but relatively even more so for the population aged 65 and over (55 against 67). It is likely that age- and sex-selective migration lies at the root of this (see Eelens, 2017, Hakkert, 2017). However, initial analyses are inconclusive and more in-depth research is required.

10 This figure is considerably higher in recent years in Georgia, due to gender-biased sex selection (e.g. Guilmoto, 2015).

11 Calculated as the ratio of males to females in a population.

Figure 2.7: Sex ratio of population aged 65 and over, by age group, 2014



Source: 2014 General Population Census

2.5 The Oldest Old

Ageing of a population does not only mean a shift in the distribution of persons toward the category of old age, it also implies that the old-age population ages in itself. Although the 2002 census reflects the extraordinary migration experience of the 1990s and distorts the long-term pattern, Georgia experienced a steady increase of the number of persons aged 80 and over, from 78.7 thousand in 1979 to 115.1 percent in 2014 (a 46 percent increase) (*Figure 2.8*). In addition, the proportion of this oldest-old population in the total old-age population of age 65 and over increased from 17.3 to 21.7 percent in the same period. Similarly, the share of the oldest old in the total population doubled from 1.6 percent to 3.1 percent (data not shown).

These trends will continue in the future. The UN projections estimate that the number of persons aged 80 and over will be more than 260 thousand in 2050, 2.3 times the number recorded by the 2014 census (United Nations, 2015c) (see *Figure 2.8*).

The 2014 census recorded a large geographic variation of the proportion of oldest-old around the national average of 3.1 percent, even larger than the variation of the old-age population. In Adjara, Kvemo Kartli and Tbilisi this proportion was below 3 percent, while in Racha-Lechkhumi and Kvemo Svaneti the share of persons aged 80 and over was 7.6 percent. Rural areas accommodate more very old persons than urban areas (63 thousand – 55 percent – against 52 thousand), this in contrast to the distribution of the total population, of which the majority – 57 percent – live in urban areas. Consequently, rural areas have a larger proportion oldest old in the total population: 4.0 percent against 2.5 percent in urban areas (*Figure 2.9*).

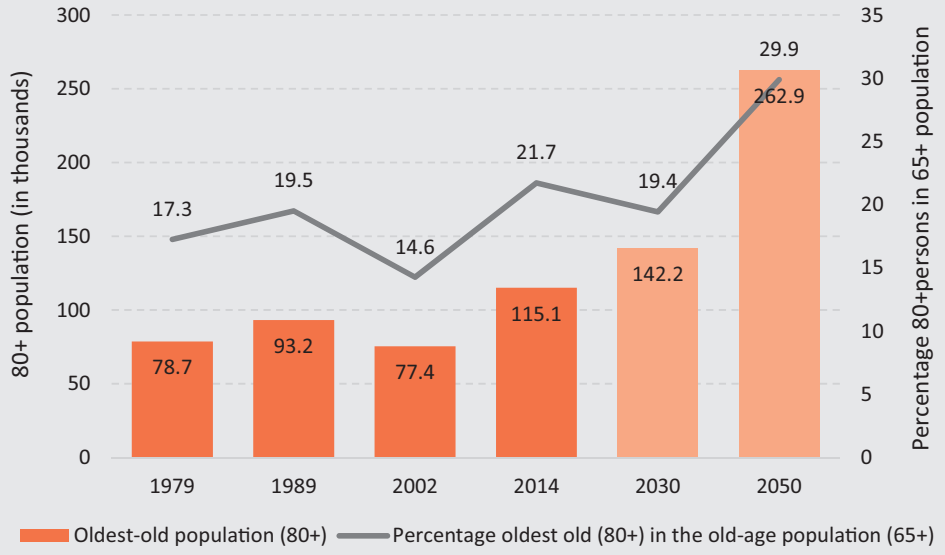
Due to the higher female life expectancy, the sex ratio of the population aged 80 and over is again lower than the overall old-age population, with only 47 men for every 100 women, with corresponding figures for urban and rural areas being 41 and 54 men per 100 women. This urban-rural differentiation in the sex ratio translates into a substantial variation in the proportion of very old persons in the population, ranging from 1.5 percent men aged 80 and over in urban areas to 5.1 percent very old women in rural areas, one in 20 rural women.

2.6 Migrants

2.6.1 Internal Migrants

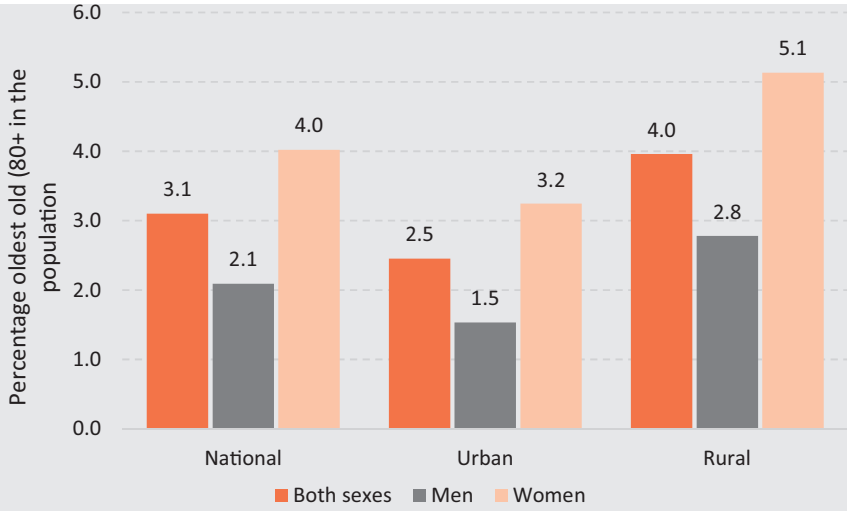
Migration tends to occur mostly at young- and middle-adult ages, particularly after completion of secondary school, when young people may move to pursue advanced education or find a job, leave the parental home or enter marriage. A raised level

Figure 2.8: Trend in population size of oldest-old population (80+) and percentage of oldest old in the old-age population (65+)



Sources: 1979, 1989 and 2014: population censuses; 2002: census-based retro-projections (Hakkert, 2017), 2030 and 2050: UN projections (United Nations, 2015c)

Figure 2.9: Persons aged 80 and over as percentage of the total population, by urban-rural residence, 2014

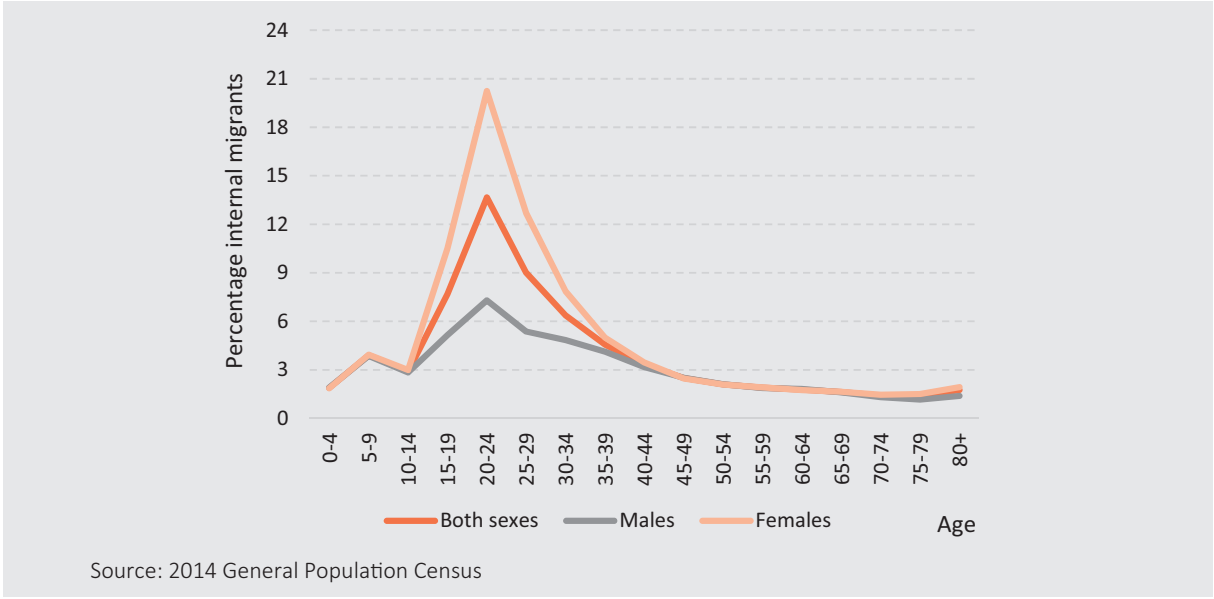


Source: 2014 General Population Census

of mobility usually continuous until middle age with changes in jobs and family composition, and afterwards tends to decline. This pattern is clearly visible in the level of internal migration – the change of usual residence from one municipality to another within the country – in the five years before the 2014 census (*Figure 2.10*), which shows particularly high migration propensity for the five-year age groups 15-19 to 30-34. The percentage of recent internal migrants peaked in the age group 20 to 24, with around one in seven people (13.7 percent) changing residence. Out of the 162.9 thousand recent migrants, only 8.1 thousand (5.0 percent) were older persons.

A remarkable difference can be observed between women and men in this 20-24 year age group, with

Figure 2.10: Percentage of population who migrated within Georgia in the five years preceding the census, by sex, and by age, 2014



Source: 2014 General Population Census

the proportions of internal migrants of 20.2 and 7.3 percent, respectively. This large difference can at least partly be explained by the custom for women to move into the family of the husband upon marriage and by the higher levels of attendance in advanced education for young women.

Although internal migration is strongly concentrated in the young adult ages, it is the older people who – as a result of the longer exposure to the 'risk' of migration over their life time – tend to have the highest proportions of people who ever migrated within the country. Thus, whereas 28.5 percent of the total population ever changed residence within the country, for the persons aged 65 and over this proportion is 40.7 percent, 30.0 percent for old-age men and 47.2 percent for the corresponding group of women.

Older people living in urban areas tend to have migrated within the country more often (45.4 percent) than their rural peers (36.1 percent). As a consequence of the higher female propensity for internal migration and of the higher female life expectancy, the population of old-age internal migrants consists for 72.1 percent of women, representing 155.5 thousand women against 60.1 thousand men.

2.6.2 International Migrants

The 2014 census collected information about immigrants among the resident population, as well as about emigrants by means of a form to be completed by members of the household from which the emigrant moved abroad. The number of emigrants recorded by the census – 88.5 thousand – is so much different from the 1.1 million that were estimated to have left the country between 2002 and 2014 (Hakkert, 2017) that this information is discarded from further analysis in this report[12].

In total, 184.6 thousand immigrants were recorded in the census, most of whom are return migrants who were born in Georgia (cf. ICMDP, 2016). The proportion older persons among these was 14.7 percent (27.0 thousand), which is similar to the proportion in the total population (14.3 percent). The recorded number of immigrants implies that 5.1 percent of the old-age population ever lived abroad. In terms of sex composition, the immigrant population is more gender-balanced than the total population in the country, with 57.0 percent women, compared to 62.2 percent overall. The large majority (78.4 percent) of older immigrants (re-)entered the country before 2001, at a time when they were still in the primary working ages below 65.

12 Other sources on emigration are also considered incomplete and biased (e.g. ICMDP 2016, UNFPA 2015).

3. Social Profile of Older People

3.1 Marital Status

Changing family ties and household relations are part of the many transitions that mark the period of reaching old age. It is likely that it is in this life stage that partner relations are terminated by the death of one of the spouses. As shown in *Figure 3.1*, marriage is widely prevalent among the middle-aged and older age groups in Georgia. From age 50-54 onward, 7 percent or less remain unmarried, and especially for men marriage becomes almost universal. It also shows that on average women tend to marry earlier than men (for example, 49 percent of women in the age group 20 to 24 remained unmarried, against 75 percent of men), which results in a considerable age difference between spouses. The effect of this spousal age difference, in combination with a higher female life expectancy (see section 2.3 above), results in significantly larger proportions of widowed women as age progresses[13].

The combined effect of gender-specific marriage patterns and life-expectancy implies that in 2014, 59.0 percent of women of age 65 and over were widowed (192 thousand women), against only 18.7 percent of old age men (37 thousand)[14]. For the group of oldest old of aged 80 and over, these proportions were, respectively, 78.4 and 41.4 percent. Consequently, it is especially older women in Georgia who are bereft of the practical and emotional support that the marriage bond usually provides. The death of a spouse also implies the elimination of one of two pensions, which no longer allows the economy of scale at household level. Furthermore, as women are less likely than men to have a job and income (see sections 4.1 and 4.3 below), widowhood often implies a severe deterioration of their financial position. These principles also apply to the much smaller group of older people who are divorced: 7 thousand women and close to 3 thousand men. Older women and men are both at risk of experiencing social isolation and economic deprivation, but on average this risk is larger for women than for men and their position may therefore require special support.

3.2 Living Arrangements

The household situation is one of the key aspects of the living conditions of older people. Spouses and other adult household members can provide immediate support and social interaction and can increase the likelihood of additional income and sharing the burden of household chores. On the other hand, older people living alone or as a couple may also appreciate the independence and self-reliance, especially if they enjoy good health and sufficient income. This is also why the proportion of old-age people living independently is one of the indicators to measure the potential for active and healthy ageing.[15] More in-depth analysis will be required to assess the extent to which living independently should be considered positively or negatively for older people and how this might vary between groups with different social, economic and health profiles.

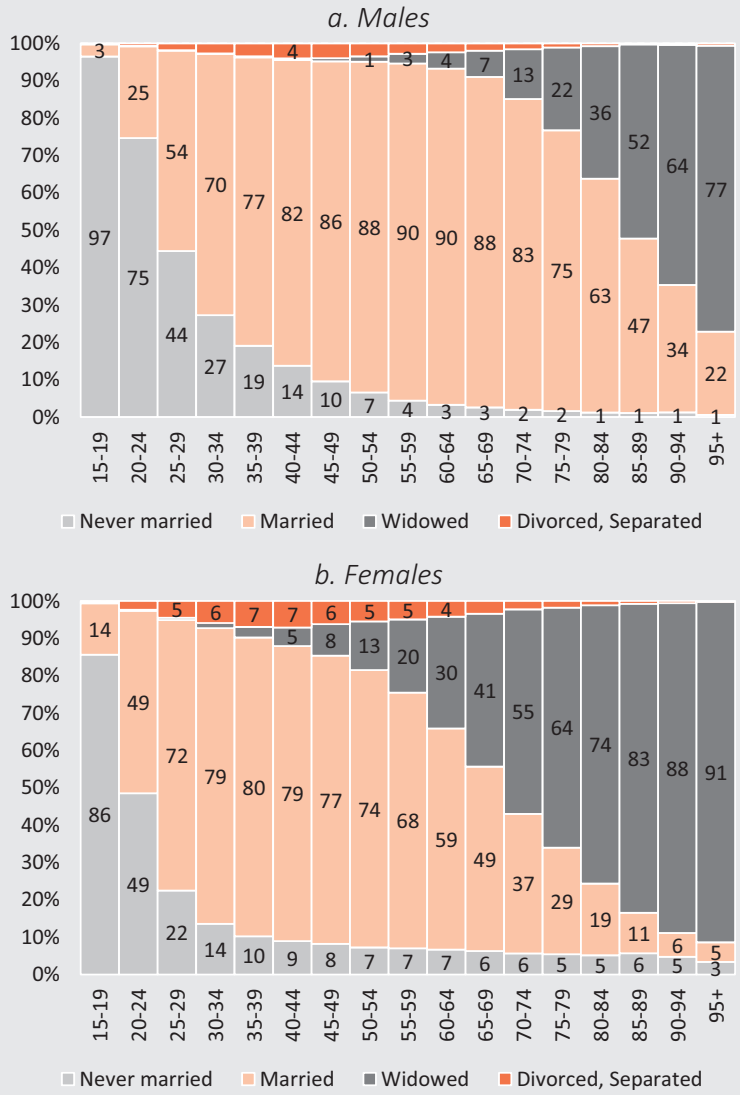
The demographic change in the past decades

13 In addition, the remarriage rate after divorce is higher for men than for women (Available at: http://www.geostat.ge/index.php?action=page&p_id=167&lang=eng) last accessed on July 31, 2017

14 There were no substantial shifts in the marital status distribution of the old-age population in the latest inter-census interval. The largest shift observed was the increase in the proportion widowed women, from 56.7 percent in 2002 to 59.0 percent in 2014. This would be consistent with the higher increase in life expectancy for women in the decade before the 2014 census (see section 2.3), but also other factors – e.g. a decrease in the difference in age of marriage in the subsequent cohorts – could play a role.

15 Active Aging Index (UNECE). Available at: http://www1.unece.org/stat/platform/display/AAI/Active+Ageing+Index+Home last accessed on July 31, 2017

Figure 3.1: Males and females aged 15 and over, by age, and by marital status, 2014 (in percentages)

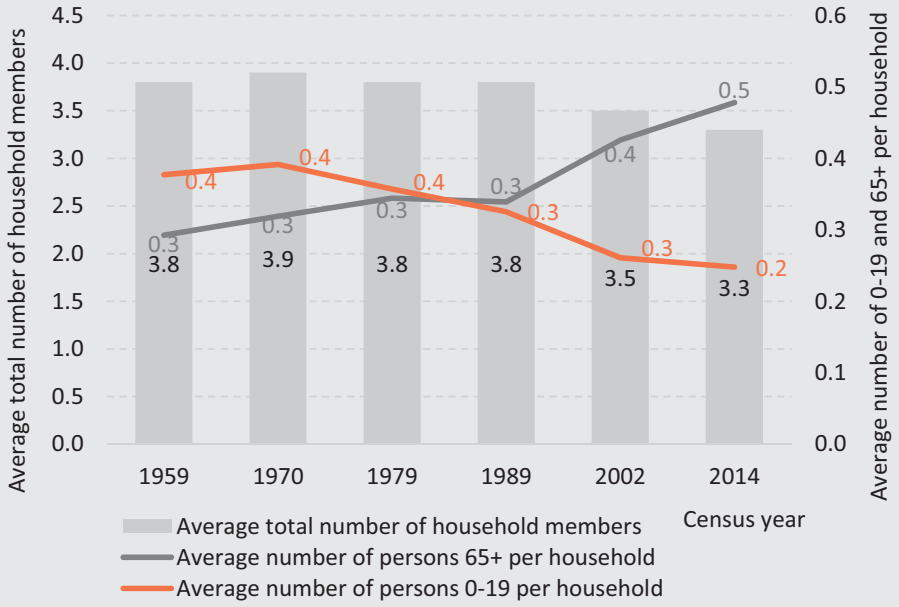


Source: Georgia 2014 General Population Census

did not only have an impact on the population distribution at an aggregate level, but also within households. *Figure 3.2* shows how especially since 1989 the average household size decreased (from 3.8 to 3.3 persons), which is particularly related to the decrease in the number of young people in the household. However, this is entirely compensated by the increase in the average number of old-age people, implying a fundamental shift in the household composition.

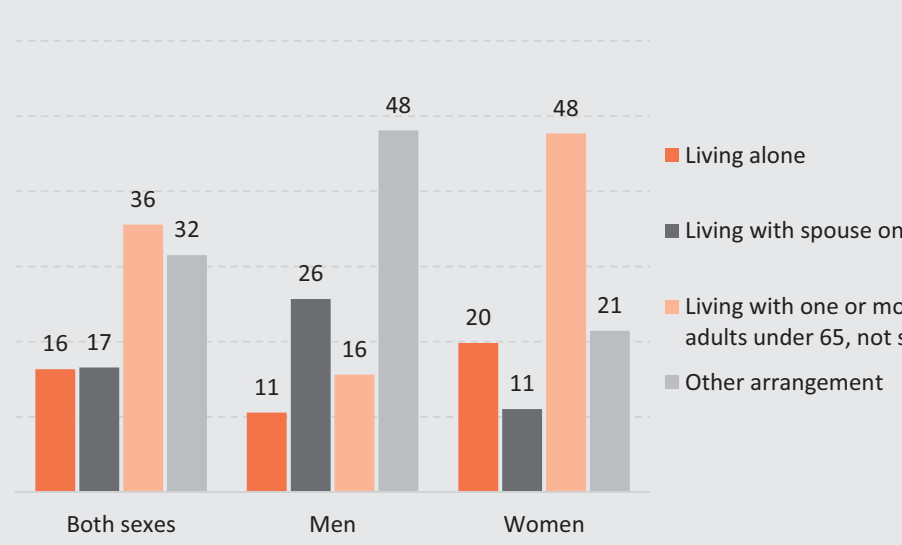
The 2014 census showed that one third of the persons aged 65 and over lived independently,

Figure 3.2: Average total number of household members and household members aged 0-19 and 65 and over, 1959-2014



Source: Population censuses

Figure 3.3: Population aged 65 and over, by sex, and by type of living arrangement, 2014 (in percentages)



Source: 2014 General Population Census

either together with their spouse (16.6 percent, 88 thousand persons)[16] or alone (16.3 percent, 87 thousand persons) (*Figure 3.3*). Another one third (35.6 percent) had no spouse – never-married, but mostly widowed persons – and lived in households with younger (below 65) adults, mostly their children. And again, another one third (31.5 percent) lived in other household arrangements, mostly as an older couple together with younger generations. There is an urban-rural differentiation in the sense that in rural areas older people tend to live more often independently as a couple (19.3 percent, against 13.7 percent in urban areas), whereas the arrangement of living

16 The corresponding figures for the number and percentage old-age persons living alone in the 2002 census were very similar.

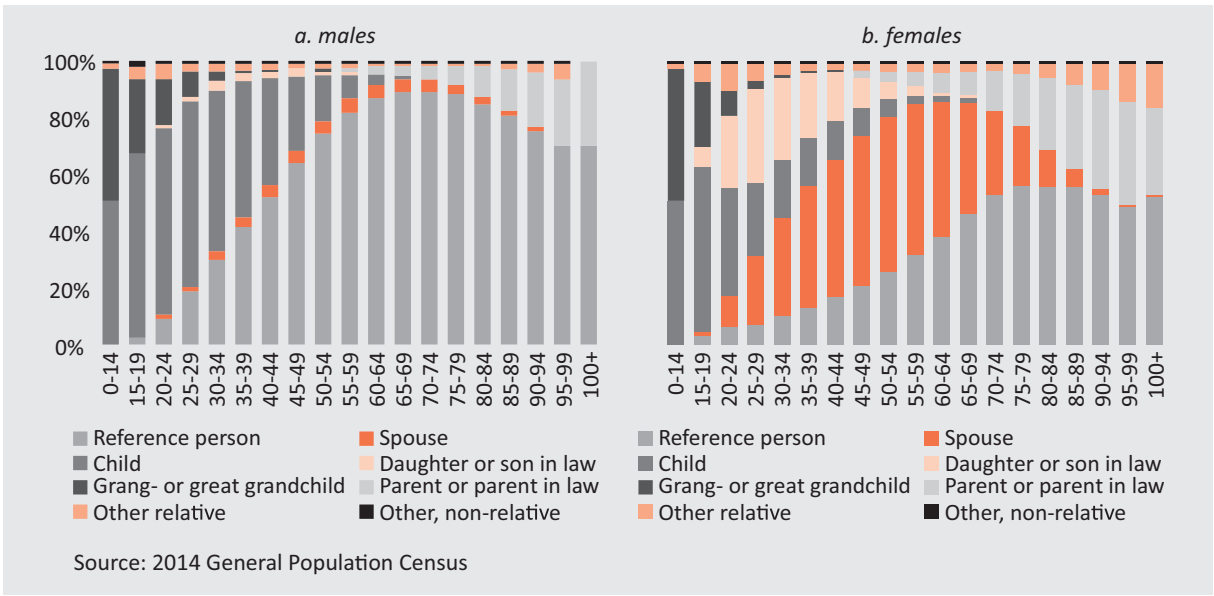
with younger generations without the own spouse occurs more often in urban areas (38.4 percent against 32.9 percent in rural areas). The share of other arrangements – mostly as an older couple together with younger generations – shows no differentiation between urban and rural areas.

With age, and as a result of mortality of the partner, this distribution shifts from arrangements where older people live as a couple to those where they live without a spouse. Among the oldest-old population, only 10.4 percent (12 thousand persons) live independently as a couple and half (50.6 percent) live-in with younger generations as a single person. The share of people aged 80 and over who live alone is also slightly higher, at 19.0 percent (22 thousand persons).

The distribution of the living arrangements is very different for men and women, largely because of the higher survival rate of women in marriage, due to the combination of their lower age at marriage and higher life expectancy (see section 3.1 above). Older men – of whom the majority still have a living partner – mostly live independently as a couple (25.7 percent) or together with their wife and/or other people (48.1 percent) and only few live alone (10.6 percent, 21 thousand men) or together with others without their wife (15.6 percent). On the other hand, the living arrangements of older women are much more concentrated in a situation of living as a widow, either together with younger household members (47.7 percent) or living alone (19.8 percent, 65 thousand women).

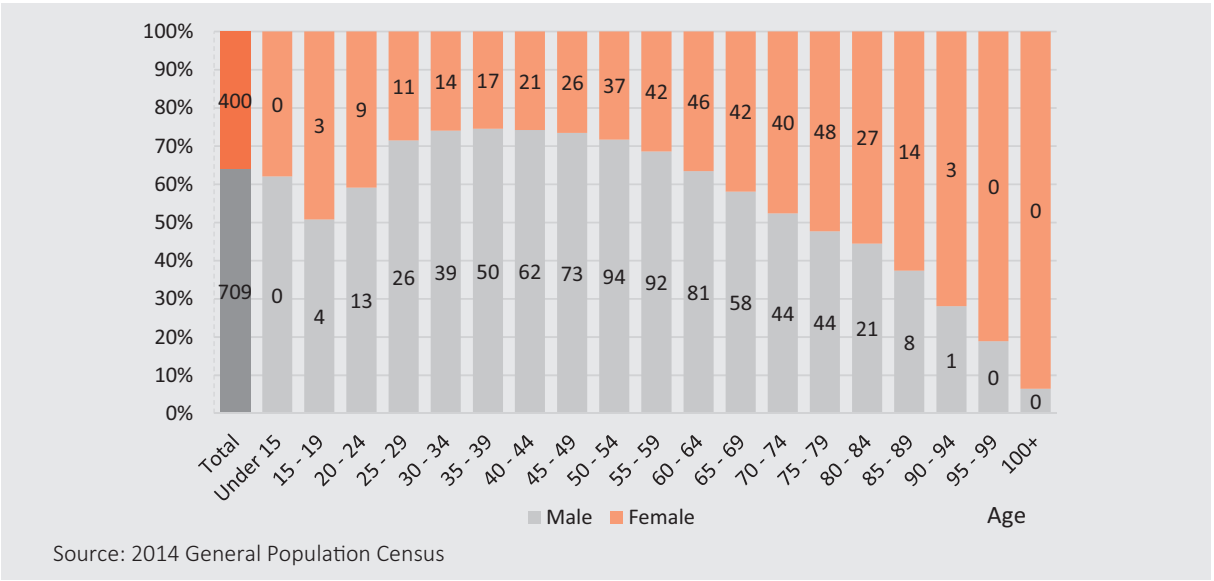
The position of men and women in the household in terms of relationship to the reference person or head of household is very different. By age 65 almost all men completed the transition from being the child of the household reference person to being the reference person himself (*Figure 3.4a*). With increasing age part of them transfer the position of reference person to a child, mostly a son. Women in the age group 65 to 69 are only recorded as the reference person in 46 percent of cases and are mostly women whose husbands have died (*Figure 3.4b*). Another 40 percent – all of whom still have a surviving husband – are considered as the spouse of the reference person. With age and increasing widowhood, women's position as spouse is replaced by that of a parent of another reference person, usually a son, and to a lesser extent by that of another relative of the reference person. The implicit message of this gender difference is that a woman is mostly considered a dependent household member – a wife, a mother and at younger ages a daughter or daughter in law of a male reference person – and less often reference person herself. Those who are recorded as the reference person are for a considerable part widows who are living on their own.

Figure 3.4: Males and females, by relation to the household reference person, and by age, 2014



Source: 2014 General Population Census

Figure 3.5: Household reference persons, by sex, and by age, 2014 (in percentages and in thousands)



Source: 2014 General Population Census

When specifically looking at the sex distribution of household reference persons, the 2014 census showed that on average in just over one third (36.1 percent) of households, women were mentioned as the reference person. Less than 30 percent of the young adult reference persons are women, but from age 55 onward, the reference persons tend to be increasingly more often female (*Figure 3.5*). Half of the reference persons aged 65 and over are women and the percentage for those age 80 and over is 59 percent, a shift that is mainly caused by a longer life span and a younger age at marriage of women.

3.3 Education

The history of education is reflected in the education and literacy information collected in the census. Literacy is virtually universal in the country, with insignificant differences between men and women and between urban and rural populations. Only for the group of oldest old women in rural areas, the literacy rate drops slightly below 97 percent.

3.3.1 Attained Education

The situation of the highest attained level of education gives a more differentiated picture. The large majority of the adult population below age 65 completed at least upper secondary education (*Figure 3.3*). However, from age group 65 to 69, increasingly large proportions have only basic secondary or primary education or no completed education at all. In the overall population of age 65 and over, 18.0 percent has basic secondary education or less[17], 39.4 percent has attained secondary education and 42.7 percent has professional or higher education (*Table 3.1*). The figures for the oldest old population show higher shares in only primary education or no education and lower shares in higher-level education.

Gender differences are relatively small, but consistently show an adverse situation for women (*Table 3.1*). On the other hand, a large urban rural differentiation exists: close to 58 percent of the urban-old completed advanced (higher or professional) education against only 28 percent in rural areas. Vice versa, only 8 percent of the older population in urban areas had compulsory basic secondary school or less, while the corresponding figure in the rural population was as high as 28 percent.

The figures about educational attainment of older people show their disadvantaged position, compared to the younger generations. For example, the opportunities on the labour market for the large share of those with only primary education, or even for those with basic

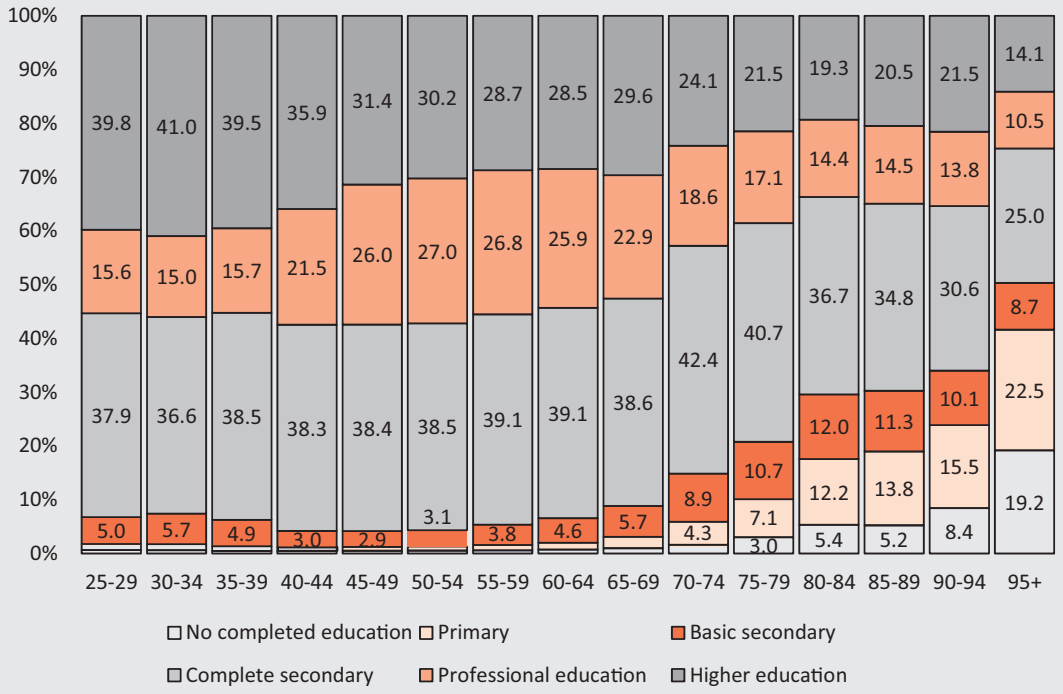
17 *Including illiterate persons*

Table 3.1: Population aged 65 and over, by sex, age group, and by level of highest attained education, 2014 (in percentages)

Level of highest completed education	Both sexes		Men		Women	
	65+	80+	65+	80+	65+	80+
Higher education	24.1	19.7	25.6	21.0	23.2	19.1
Professional education	18.6	14.3	19.0	14.2	18.3	14.4
Complete secondary	39.4	35.6	38.8	34.7	39.7	36.0
Basic secondary	9.0	11.6	8.9	12.4	9.1	11.2
Primary	6.3	13.0	5.7	13.1	6.6	13.0
No completed education	2.7	5.7	1.9	4.6	3.1	6.2

Source: 2014 General Population Census

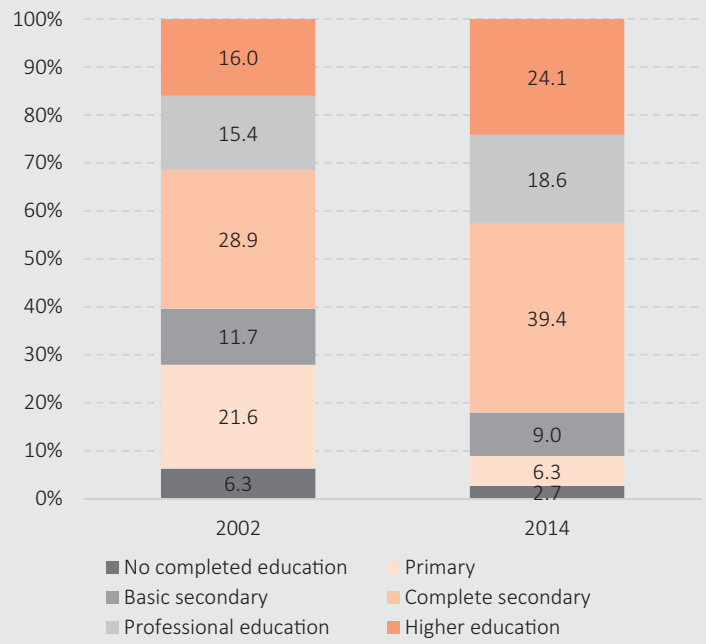
Figure 3.6: Population aged 25 and over, by level of highest attained education, and by age, 2014 (in percentages)



Source: 2014 General Population Census

or completed secondary education are much more limited than for those with more advanced education. However, substantial improvement has been made compared to the situation at the time of the 2002 census. A large decrease can be observed in the proportion of older people that have only primary education (from 21.6 percent in 2002 to 9.0 percent in 2014) (*Figure 3.7*). On the other hand, the proportions that have completed secondary education (from 28.9 to 39.4 percent) and higher education (from 16.0 to 24.1 percent) showed large increases. Also, the urban-rural education gap is somewhat reduced, as the educational attainment of the rural population improved relatively more than that of the urban counterparts.

Figure 3.7: Population aged 65 and over, by level of highest attained education, and by census year, (in percentages)



Source: 2014 General Population Census

3.3.2 Lifelong Learning

The principle of lifelong learning is not only relevant for people in the midst of their professional careers. Also for persons outside the labour force or beyond retirement age, continuous learning or re-starting an educational curriculum can be enriching and improve the opportunities on the labour market. In Georgia, people of all ages can in principle register for university courses or vocational training, provided they pass the entry exam. However, the 2014 census did not record any one person of older age attending any level of education. The census question ("Are you currently studying in an educational institution?") may not have covered all forms of education offered, but the lack of any record of a person involved in education is certainly an indication that there is very little investment in learning among the old-age population.[18]

3.4 Sub-groups in the Population

3.4.1 Ethnic Groups

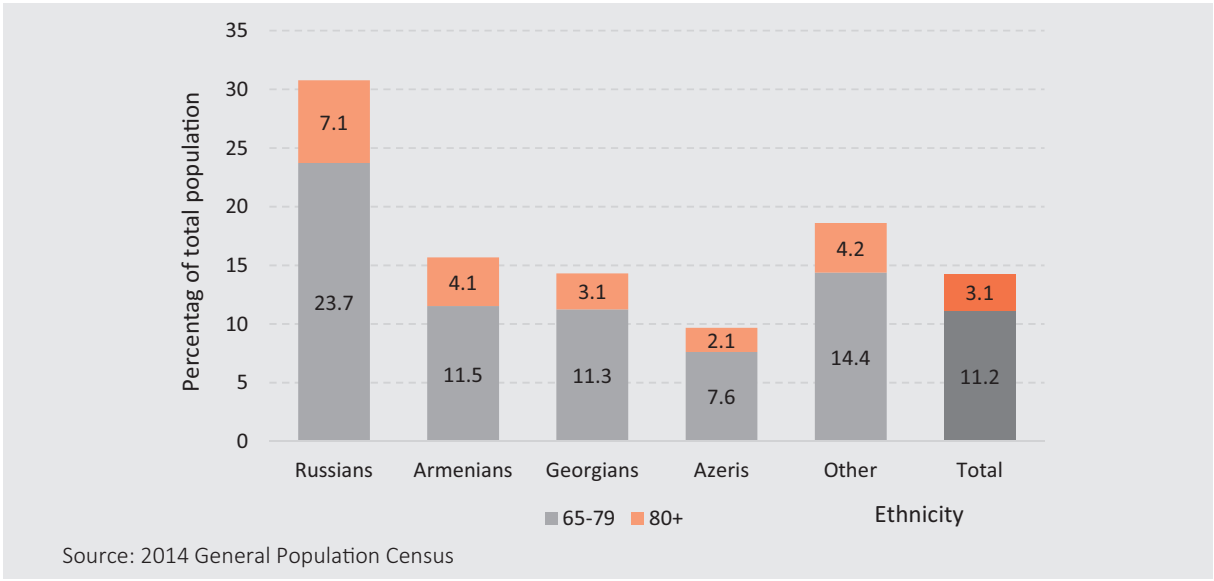
The 2014 census recorded a variety of ethnic groups in Georgia. Ethnic Georgians are by far the largest group, with 3.2 million persons representing 86.8 percent of the population. In terms of population size Azeris (233 thousand, 6.3 percent) and Armenians (168 thousand, 4.5 percent) follow at great distance. All other ethnic groups[19] are below one percent of the population, with Russians (26 thousand, 0.7 percent) being the largest of the small groups.

The different ethnicities demonstrate a substantial difference in ageing. Whereas among the Georgian majority, 14.3 percent are 65 years or older, the corresponding share among Russians is 30.8 percent (*Figure 3.8*). On the other hand, Azeris have a substantially smaller old-age population share (9.7 percent). Armenians closely resemble the Georgian pattern with 15.7 percent older people. The proportions of older population are mirrored in the figures for the percentage of youth, as presented in Eelens (2017). Here, Azeris are

18 In addition, census enumerators may have had a pre-determined attitude that education at old age is non-existent and consequently have skipped the question on educational attendance for older persons.

19 Russians, Ossetians, Yezidis, Ukrainians, Kists, Greeks, Assyrians and other.

Figure 3.8: Population aged 65 and over, by age group, and by ethnicity, 2014 (in percentages)



Source: 2014 General Population Census

among the ethnic groups with the largest shares of persons aged 15 to 24 (14.8), with Russians at the other side of the scale with only 5.8 percent youth and Georgians and Armenians in the middle (13.3 and 12.5 percent, respectively).

Compared to the situation in 2002, the process of population ageing was the strongest in the Russian community (with an already aged population in 2002, with 24.8 percent in the old-age category) and among the Azeri (with a still small old-age population of 7.8 percent in 2002). It is likely that such rapid increase in the share of older people is to a large extent the effect of age-specific migration. The older population in the large group of ethnic Georgians represented 12.6 percent in 2002 and thus showed a moderate increase. Among Armenians and other small ethnic minorities, there was little change in the proportion old-age population.

3.4.2 Displaced Persons[20]

Following Georgia's declaration of independence, secessionist activities and armed conflict in the then Abkhaz Autonomous Republic and the South Ossetian Autonomous Oblast resulted in large numbers of displaced persons. The 2008 war with the Russian Federation resulted in a second wave of displacement. In total, 190 thousand displaced persons were recorded in the areas of Georgia that were covered by the 2014 census. This is substantially less than the official number of 263 thousand internally displaced persons (IDPs) registered in 2013-2014[21], and also less than the figure 233 thousand IDPs provided by the Internal Displacement Monitoring Centre (IDMC, 2017) for December 2014.[22] Reasons for the lower number recorded in the census could be a drop in the number of displaced persons compared to the 2013-2014 registration and different coverage compared to the IDMC figures, which include South Ossetia/Tskhinvali Region, Georgia.

With 12.0 percent persons aged 65 or over (*Table 3.2*), the 22.8 thousand old in the displaced population recorded in the census make up a somewhat smaller share than the old in the total population of Georgia (14.3 percent). The difference is larger for old-age women: 13.9 percent in the displaced population, compared to 17.0 percent in the total population. The differences may be caused by a relatively older population in the areas where the displaced people were displaced from or by lower displacement rates of older persons compared to that of younger

20 Displaced persons consist almost exclusively (99.8 percent) of internally displaced persons (IDPs). In addition, a very small group (355 persons) of refugees from other countries are included.

21 This number is based on results from a re-registration exercise conducted in 2013-2014 by the Ministry of IDPs from the Occupied Territories, Accommodation and Refugees.

22 An estimate based on figures reported by the government of Georgia, UNHCR, and the UN Inter-Agency Humanitarian Assessment Mission to South Ossetia.

people (or a combination of the two). Given the census information that showed high to very high proportions of old people in all municipalities adjacent to Abkhazia, Georgia and South Ossetia/ Tskhinvali Region, Georgia (see the map of *Figure 2.3*), it is very likely that there is a very strong age-specific displacement pattern, in which the older generations more often remained in the conflict areas and the younger more often fled to the territory controlled by the central government.

Compared to the sex ratio of the total population of Georgia (91 males for every 100 females; see section 2.4), that of the displaced persons (84) is smaller, indicating an even larger majority of women (see *Table 3.1*). However, the sex ratios of the old-age and oldest-old displaced populations are very similar to those of the total population in the country (61 and 47, respectively).

Table 3.2: Displaced population, by sex, and by age, 2014 (in thousands and percentages)

	Thousands			Percentage			Sex ratio
	Both sexes	Male	Female	Both sexes	Male	Female	
Total	190.0	87.0	103.0	100.0	100.0	100.0	84
0-64	167.2	78.4	88.8	88.0	90.2	86.1	88
65+	22.8	8.5	14.3	12.0	9.8	13.9	60
65-79	18.0	7.0	11.0	9.5	8.1	10.7	64
80+	4.8	1.5	3.3	2.5	1.8	3.2	46

Source: 2014 General Population Census

4. Economic Activity, Livelihoods and Material Wellbeing

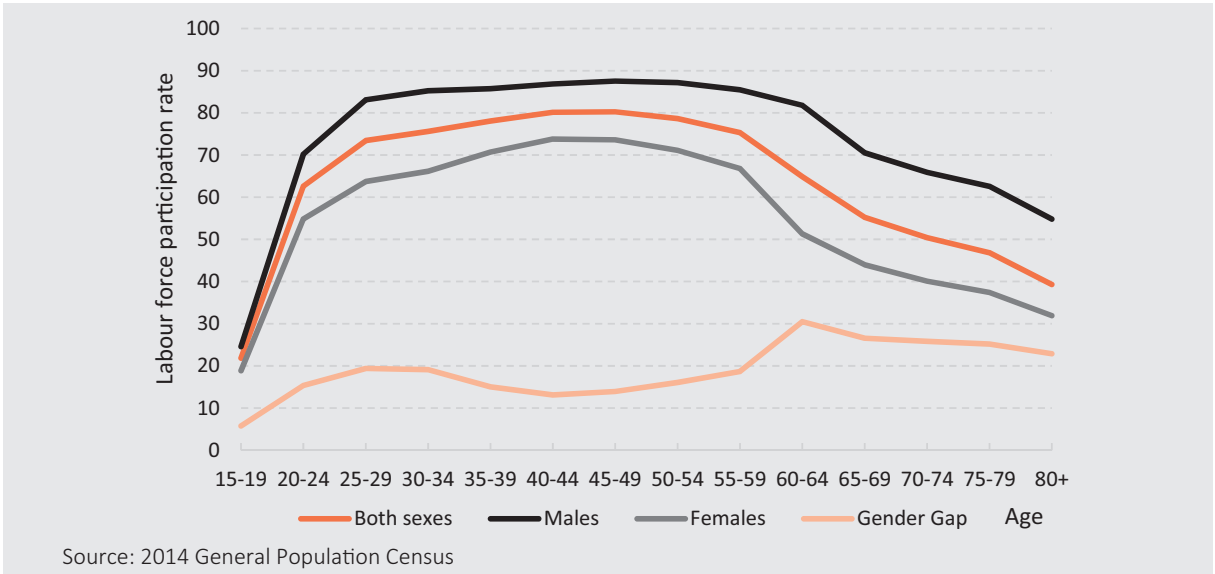
4.1 Older People and the Labour Market

4.1.1 Activity on the Labour Market

The labour force participation rate – the percentage of the working-age population that is working or looking for work – is a measure of the extent to which persons in a population are economically active. As reflected in the 2014 census figures, many people in Georgia remain active up to an old age (*Figure 4.1*). Although there is a clearly visible drop at the official retirement ages – 60 for women and 65 for men – the participation rates remain fairly high, even up to the age of the oldest old at 80. The census recorded for the total old-age population of 65 and over a labour force participation rate of 48.4 percent, implying that almost half of the older persons were either working or actively seeking a job. For those aged 65 to 79, this participation level was 51.1 percent and for the oldest old (80 and over) it was still a high 39.3 percent, implying that two of every five very old people in the country were still economically active.

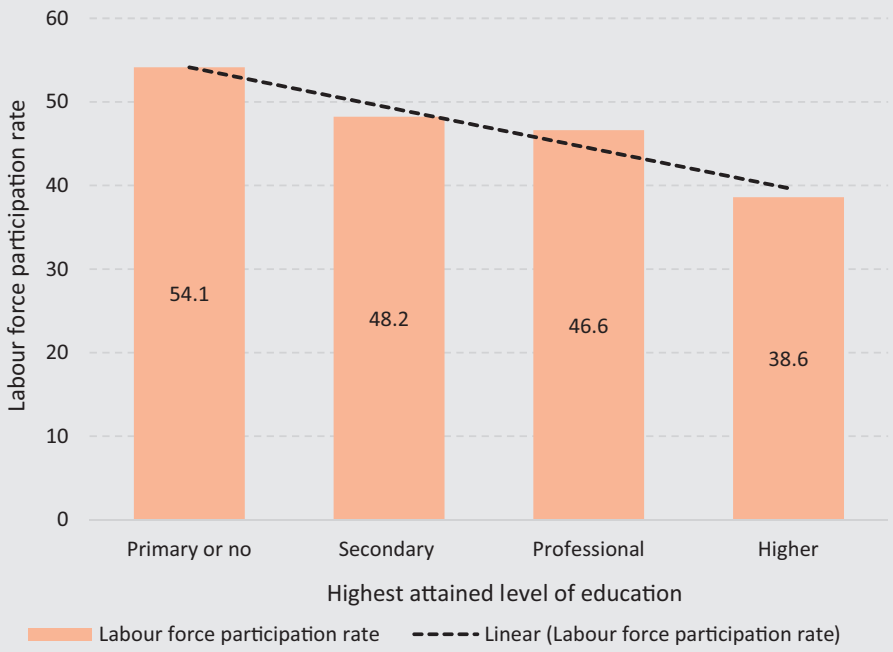
The gender difference in the labour force participation is consistent with the generally found pattern that women are less active on the labour market than men. In the age interval 20 to 59, roughly between education- and retirement age, this gender gap fluctuates between 10 and 20 percentage points (*Figure 4.1*). However, with the retirement age of 60 for women, the difference increases to over 30 percentage points in the age group 60-64 and then gradually decreases again, but remains well over 20 percentage points. In the total population aged 65 and over, the male and female labour force participation rates are 64.5 and 38.4 percent, respectively. The corresponding gender figures for the oldest old are 54.8 and 31.9, respectively.

Figure 4.1: Labour force participation rate, by sex, and by age, 2014



Source: 2014 General Population Census

Figure 4.2: Labour force participation rate of population 65 and over, by level of highest attained level of education, 2014



Source: 2014 General Population Census

A remarkable finding is that among the economically active older population, virtually everyone (97.4 percent) is actually working and very few are classified as unemployed[23]. In the oldest old population, this percentage is even 99.4. This is in stark contrast to the economically active population below age 65, of whom only 81.9 percent are working and 18.1 percent are unemployed. The 240 thousand older people who were recorded as employed in the census comprised 14.9 percent of the total employed population in the country.

The interpretation of high labour force participation among older people requires more detailed survey-based information and more in-depth analysis. However, some clues can be obtained from census analysis that is within the scope of this report. One such clue is the inverse relation between the level of highest attained education and the activity rate. *Figure 4.2* shows that labour force participation decreases with the level of education completed. As lower-educated persons tend to have worked more often in the informal economy with less adequate pension provisions and may have been less able to save much from generally lower incomes, it is likely that they would more often out of necessity continue working beyond the retirement age.

4.1.2 Characteristics of the Old-Age Working Population

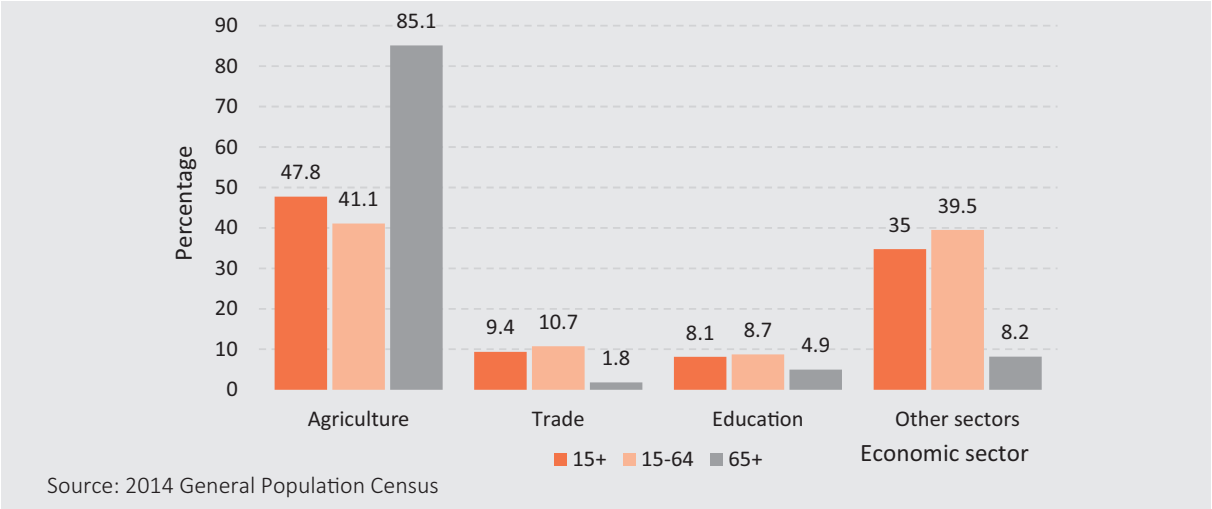
Sectors of work[24]

Georgia is to a large extent still an agricultural society: according to the 2014 census, almost half (47.8 percent) of the employed working-age population had a job in the agriculture sector, with the next largest sectors being trade (9.4

23 Working or employed persons refer to those who worked seven days prior to census moment (for at least one hour) for payment in cash or in kind or other income, or had work or a job, which they were temporarily unable to complete for some reason. Unemployed persons are those who were not employed (not even for one hour) in the seven days prior to census moment, were looking for a job for the last four weeks before census moment and were ready to start working within two weeks' time if a suitable job or business was offered.

24 The 2014 census classified economic sectors according to the Statistical Classification of Economic Activities in the European Community (NACE, rev 1.1). For details about the categories and classification criteria of this classification, refer to http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_(NACE), last accessed on July 31, 2017

Figure 4.3: Employed persons aged 15-64 and 65 and over, by sector of employment, 2014 (in percentages)



Source: 2014 General Population Census

percent) and education (8.1 percent). However, the employed old-age population of 65 and over – in total 240 thousand persons – is even much more concentrated in the agriculture sector. *Figure 4.3* shows the contrast in the distribution of economic sectors between the persons 65 and over and those in the primary working ages 15 to 64. Whereas the agriculture sector provides employment to 41.1 percent of the 15 to 64 years olds, it accommodates more than twice as much – 85.1 percent – of the older workers. On the other hand, in none of the other economic sectors, employment of older people comes even close to that of the workers in the 15 to 64 age group. The fact that agriculture is one of the least productive sectors in the country[25] and the difficulty for older people to get access to bank loans to improve agricultural activities imply that most older workers are stuck in low productivity employment (e.g. Rutkowski, 2013).

The national target for the SDG indicator "manufacturing employment as a proportion of total employment" (indicator 9.2.2)[26] is 7 percent for 2020 and 10 percent for 2030. According to the 2014 census this indicator was 4.9 percent for the total employed population, but only 1.2 percent for the population aged 65 and over.

It does not come as a surprise that in rural areas a large majority – 76.5 percent – of working people are employed in the agriculture sector (*Figure 4.4*). Rural employment for older people is, however, almost exclusively – for 95.2 percent – situated in agriculture, which reflects the very limited opportunities for retired persons to find a job in other sectors of the economy. Even in urban areas less than half of working persons aged 65 or over is able to find work outside agriculture, in stark contrast to persons in the age group 15 to 64, of whom 91.4 percent find employment elsewhere.

Occupations[27]

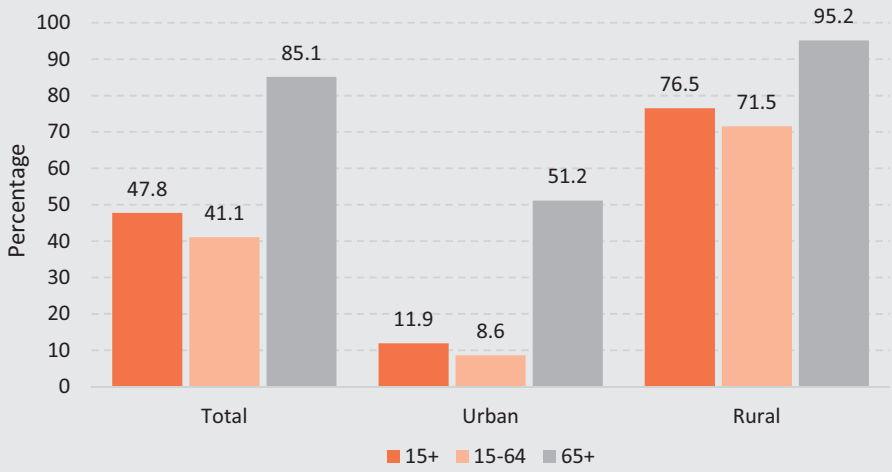
The importance of the agriculture sector is evidently reflected in the distribution of occupations, as around 84.8 percent of the older population and 40 percent of the persons aged 15 to 64 have jobs as agriculture workers. The informal nature of the agriculture sector and occupations is emphasised by the finding that 87 percent of these agriculture workers – and 91 percent of the persons aged 65 or over – have rather marginal jobs as

25 Agriculture adds less than 10 percent to Georgia's GDP, implying that in 2014, nearly half of the employed working-age population was involved in production of just 10 percent of GDP (source: Geostat). Agriculture value added per worker in Georgia (in constant 2010 USD) in 2015 was USD 3,346, which is only 12 percent of the European Union average (USD 27,945) (source: World Bank. World Development Indicators, http://data.worldbank.org/indicator/EA.PRD.AGRI.KD, last accessed on July 31, 2017

26 Indicator for SDG Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

27 The 2014 census classified occupations according to the International Standard Classification of Occupations (ISCO). For details about the categories and classification criteria of this classification, refer to http://www.ilo.org/public/english/bureau/stat/isco/index.htm. last accessed on July 31, 2017

Figure 4.4: Employed persons aged 15-64 and 65 and over, by urban-rural residence, 2014 (in percentages)



Source: 2014 General Population Census

subsistence farmers. Teaching and health-related jobs (professionals and associated professionals) are the most important jobs outside agriculture occupations for persons over official retirement age.

There is a remarkable similarity in the shares of old-age working men and women engaged in agricultural occupations, although at very different levels for urban and rural residents. Among the persons dwelling in urban areas this is close to 51 percent for both men and women and among rural residents some 95 percent of both sexes are agriculture workers (see *Figure 4.5*). On the other hand, there is significant gender differentiation in the shares of other occupation categories among the working population of 65 and over. This is particularly the case among urban dwellers, of whom the occupational variation is much larger than that for the rural population. Here the categories of professionals and associated professionals – predominantly teachers and health workers – together amount to 18.3 percent for men and 31.8 percent for women. Also among service and sales workers more female workers can be found; in most other occupational categories, men outnumber women.

Status in employment

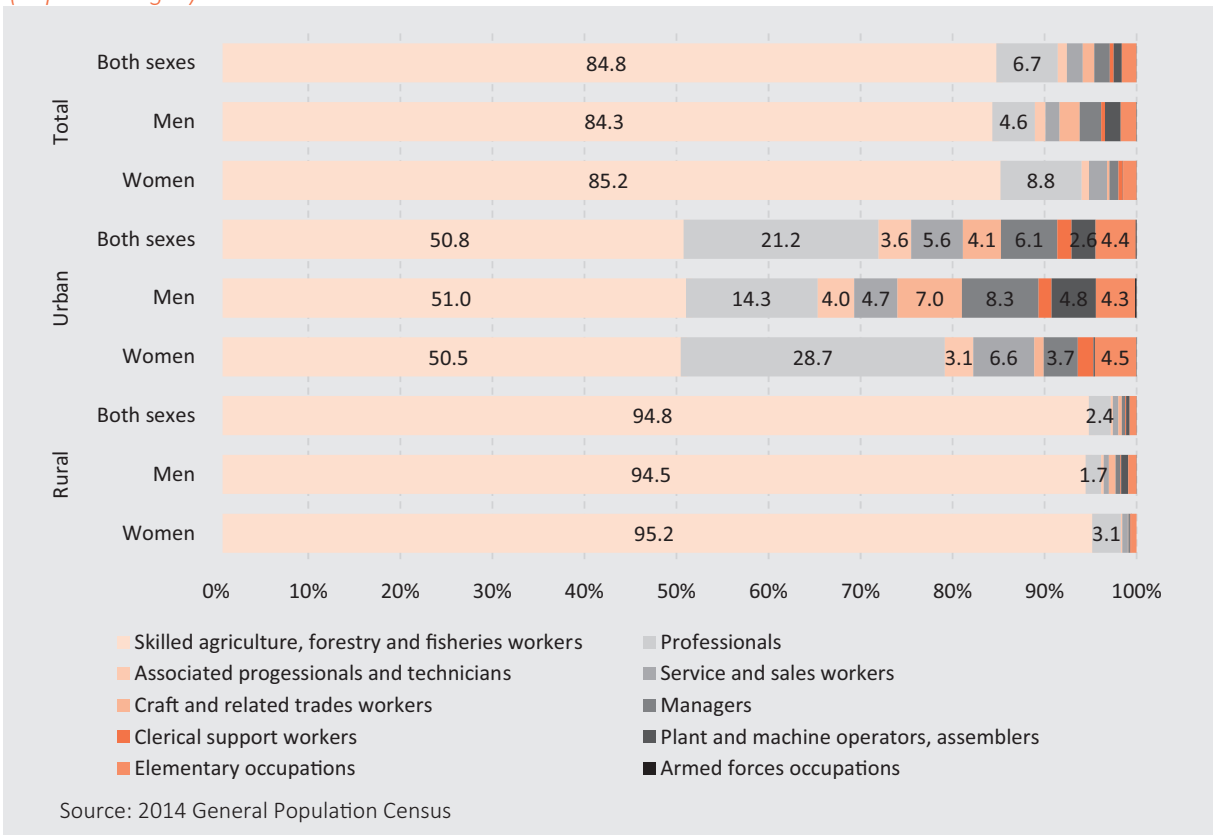
Figure 4.6 shows that the profile of old-age employed persons in terms of the status in employment is very different from that of younger adult workers. Whereas more than half of the younger age category are employed as hired persons, paid by an employer, and about one third are own-account workers,[28] working on the own farm, persons of 65 and over work overwhelmingly (for 82.1 percent) in the latter category and only 13.4 percent work as hired workers. For the oldest old the concentration in farm self-employment is even higher (95.3 percent, figure not shown).

Whereas the census recorded a relatively small gender difference in proportion of own-account workers, the difference by urban-rural residence was very large: 91.9 percent in rural areas and 49.2 percent in urban areas (with an almost equal share – 43.3 percent – of hired workers).

The overrepresentation of older persons in the category of own-account workers again underlines the vulnerable position of this age group on the labour market. In an advanced and formal economy, a high number of self-employed would mean that people are more likely to have the capital, skills and experience needed to run a business and people may choose to become self-employed

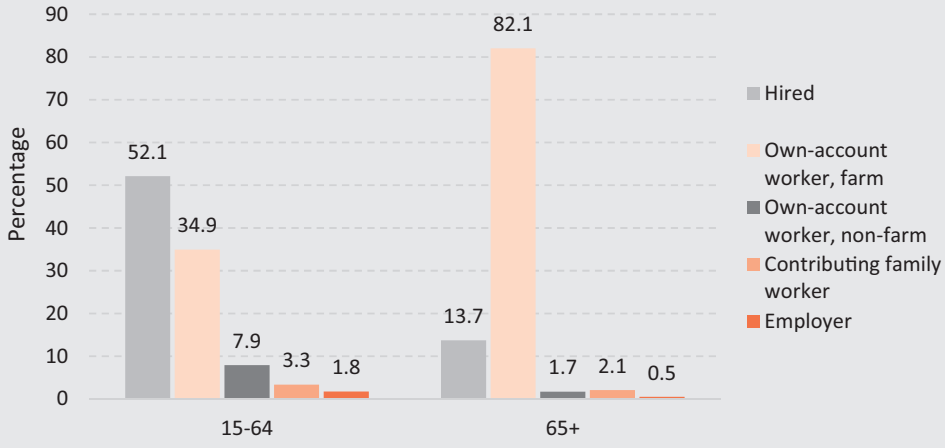
28 Own-account (or self-employed) workers are those who, working on their own account or with one or more partners, hold the type of jobs defined as a "self-employment jobs" and have not engaged on a continuous basis any employees to work for them.

Figure 4.5: Employed persons aged 65 and over, urban-rural residence, sex, and by occupation, 2014 (in percentages)



Source: 2014 General Population Census

Figure 4.6: Employed persons, by age group, and by status in employment, 2014 (in percentages)



Source: 2014 General Population Census

for financial and lifestyle reasons, including the increased autonomy and flexibility offered by some types of self-employment. However, this is not the case in Georgia with a large informal sector, where self-employment is more associated with low productivity (see above), lack of formal working agreements and insecure incomes (ILO, 2008). An analysis by the World Bank (Rutkowski, 2013) showed that the main problem of the labour market in Georgia is not so much unemployment, as well underemployment and low labour earnings, and that poverty is especially concentrated in the group of self-employed workers.

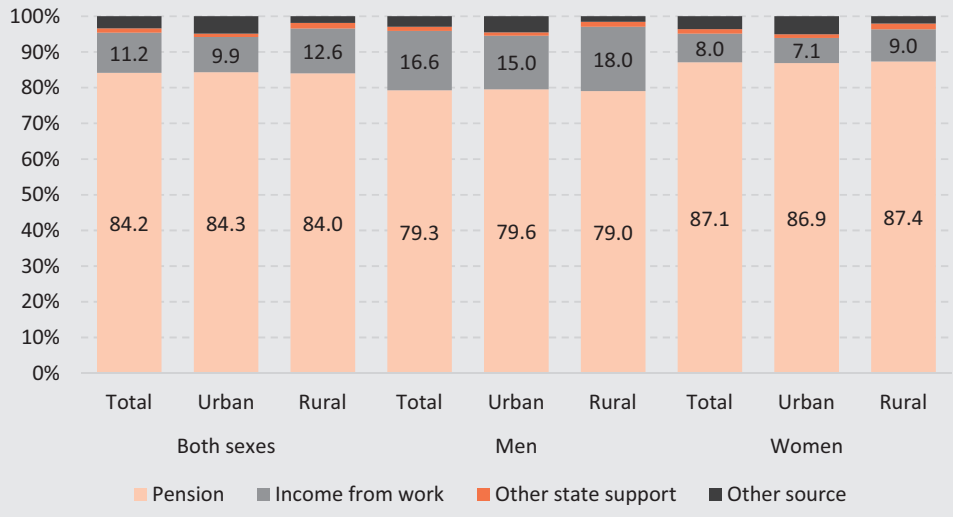
In the MDG framework, own-account workers, together with contributing family workers, were used to calculate the indicator for 'vulnerable employment' that was used to measure progress toward "achieving full and productive employment and decent work for all, including women and young people" (Target 1.B of MDG 1, "Eradicate extreme poverty and hunger"). These two vulnerable employment-status categories as proportion in total employment would amount to 46.1 percent in the population aged 15 to 64 and 85.8 percent in the old-age population.

4.2 Sources of Income

Despite the large number of persons above official retirement age who continue working, by far the largest source of income is the pension. For 84.2 percent of the older population, this is the main source, and equally so for urban and rural residents (*Figure 4.7*). For the oldest-old population, the dependence on pension as the main income is even 91.3 percent. There is, however, some gender differentiation, with 87.1 percent of old-age women mentioning pension as the most important income source and only 79.3 men doing so. As the census data recorded that almost all (97.2 percent) persons aged 65 and over received a pension, this gender difference is caused by the larger importance of income from work for men. Whereas only 8.0 percent of the older women mentioned that income from any type of work[29] was the most important source of income for them, this percentage was twice as high for men (16.6 percent). Only for 3.4 percent of older persons another income type featured as the most important, but more so for urban than for rural residents (4.9 and 1.9 percent, respectively) (percentages not shown in *Figure 4.7*). Of these other income sources, the most frequently mentioned one was support from others (2.5 percent).

Although for the large majority of the old-age population the pension is the most important source of income, other sources may provide important supplements to people's livelihoods. The most frequently mentioned other sources are income from own peasant farm (40.7 percent), social assistance (9.6), wage income (6.2 percent) and support from other persons (4.7 percent). Other income sources[30] are rarely mentioned

Figure 4.7: Persons aged 65 and over, by sex, urban-rural residence, and by main source of income, 2014 (in percentages)

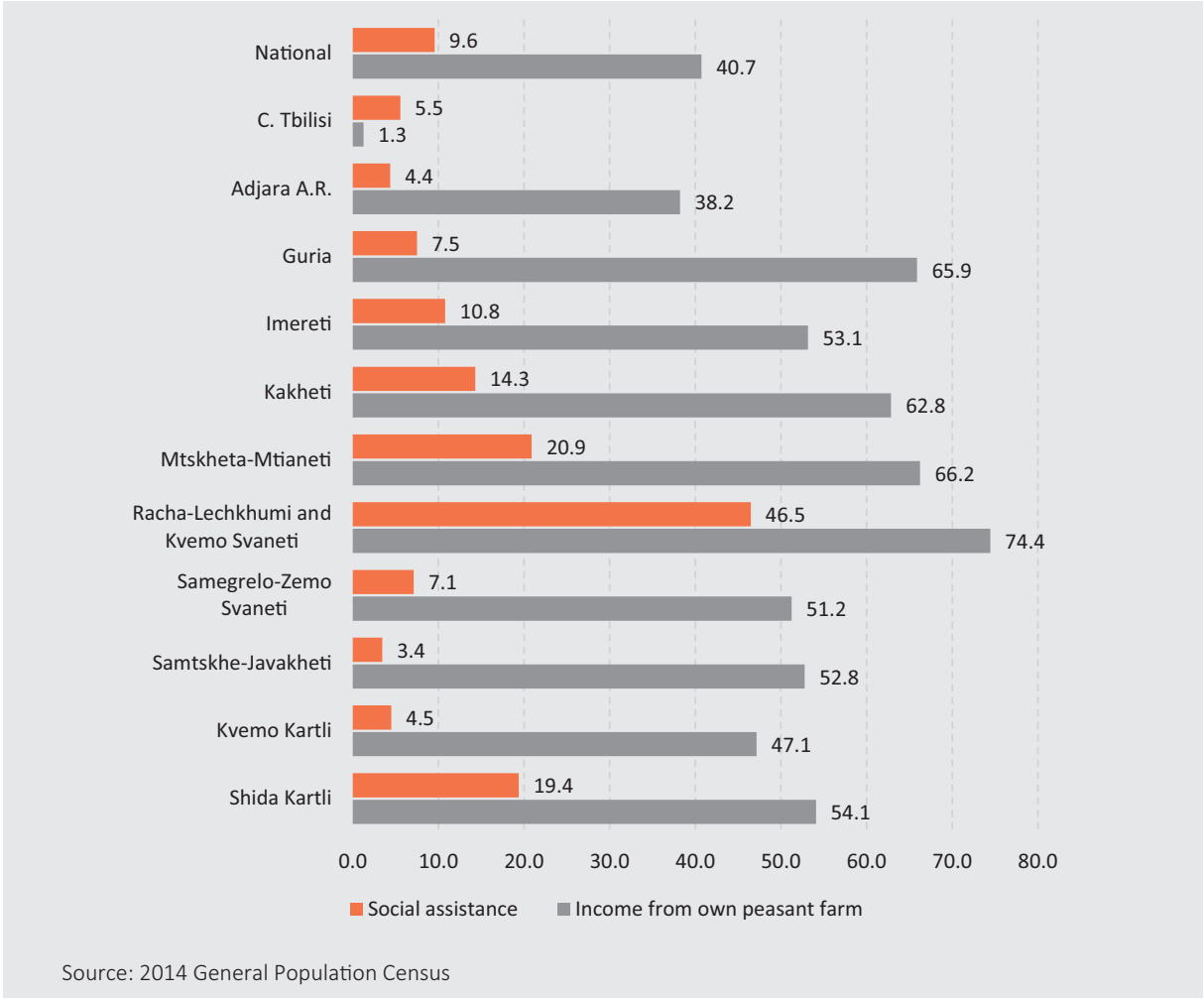


Source: 2014 General Population Census

29 *Income from work includes (a) wages for employment or other regular remuneration, (b) income from individual labour activity, (c) income from own enterprise, (d) income from own peasant farm.*

30 *Other income types recorded in the census were income from individual labour activity, own enterprise, property or savings, social assistance or other types of state protection, foreign remittances and other sources.*

Figure 4.8: Percentage of persons aged 65 and over for whom social assistance and income from own peasant farm were recorded, by region, 2014



Source: 2014 General Population Census

by persons of age 65 or over. The apparent little importance of remittances is something to be mentioned in view of the large diaspora and the estimate that remittances amounted to 6 percent of the GDP of Georgia (Economic Policy Research Center, 2107). It could well be that respondents were hesitant to mention this income or did not recognise it as a personal income, but rather as a household income.

Figure 4.8 shows per region the percentage of old persons for whom social assistance and income from the own peasant farm were mentioned as income source. As can be expected in the major urban centre of Tbilisi, few people had a farm income. In most regions, more than half of the old-age population – and up to 74.4 percent in Racha-Lechkhumi and Kvemo Svaneti – had some income from farming. Apart from Tbilisi, the Autonomous Republic of Adjara had the lowest proportion with farm income (38.2 percent), indicating a substantial variation in the presence of this type of income across the country. More surprising is the large difference in the percentage of older people who received social assistance: from less than 5 percent in Samtskhe-Javakheti, Adjara A.R. and Kvemo Kartli to around 20 percent in Shida Kartli and Mtskheta-Mtianeti, and even 46.5 percent in Racha-Lechkhumi and Kvemo Svaneti. Further investigation will be required to clarify the reasons for this large variation.

4.3 The Old-Age Pension System

4.3.1 Recent Developments

Currently, Georgia has a universal old-age pension system that serves as poverty alleviation function in old age. It is a non-contributory pension scheme, which provides a flat rate benefit to all persons of eligible age. The state guaranties the pension to all Georgian citizens who have reached the official retirement age – 60 years for women and 65 years for men[31]. Individuals are entitled to a pension and stay in the labour force simultaneously, with the exception of government employees, who are not eligible to receive pension while working.

The universal old-age pension system provides almost complete coverage of the old-age population, as evidenced by the 2014 census, which recorded a coverage of 97.2 percent. The pension system is the main social redistributive protection program in the country in terms of both coverage and spending. The total amount spent on pensions varied between 12 and 15 percent of the state budget in recent years. *Figure 4.9* presents the number of individuals receiving old-age pension and the total amount spent on pensions as a fraction of the state budget.

Figure 4.10 presents the development of the old-age pension compared to the subsistence minimum. The increase in the basic pension over the period 2012-2016 (11 percent per year on average) can be explained by the political will to bring it above the level of the subsistence minimum.[32] In 2006, the average pension of 38 GEL constituted only 40 percent of the subsistence minimum of a single-person household[33] and up to 2013, the level of income received from old-age pension remained below the subsistence minimum. In June 2016 the old-age pension was raised to GEL 180, which represented approximately 127 percent of the average subsistence minimum. In addition, since September 2016, pensioners living in mountainous regions receive an appendage of 20 percent of the old-age pension.[34] In 2017, based on the first quarter data, the standard pension decreased to 121 percent of the subsistence minimum.[35]

Main strengths of the current setup are the following:

- Flexibility. It is easy for pensioners to get the pension, as it is not based on registration and they can receive it anywhere in the country. In case a pensioner is disabled, there is an option to deliver the pension at home upon request.
- Universality. The universal nature makes it easy to administer the system.

Main weaknesses of existing pension system are:

- The pension does not depend on working experience. There was an attempt to have some appendages (of GEL 2-10) to the pension, based on working experience in 2010, but the administration of the proposed change appeared to be very difficult. In absence of proper labour market data from the Soviet Union, it became hard to prove exact years of working experiences. There were many court cases related to this issue.
- The current pension has a low replacement level and actually only performs the poverty alleviation function. It is not performing an income smoothing function.

In addition, it is a valid question to ask whether applying the standard non-food expenditures accomplishes poverty alleviation or not. The

31 Reaching the retirement age is the only criteria, with a few exceptions, such as receiving a pension in another country in case of dual citizenship and working in the government sector.

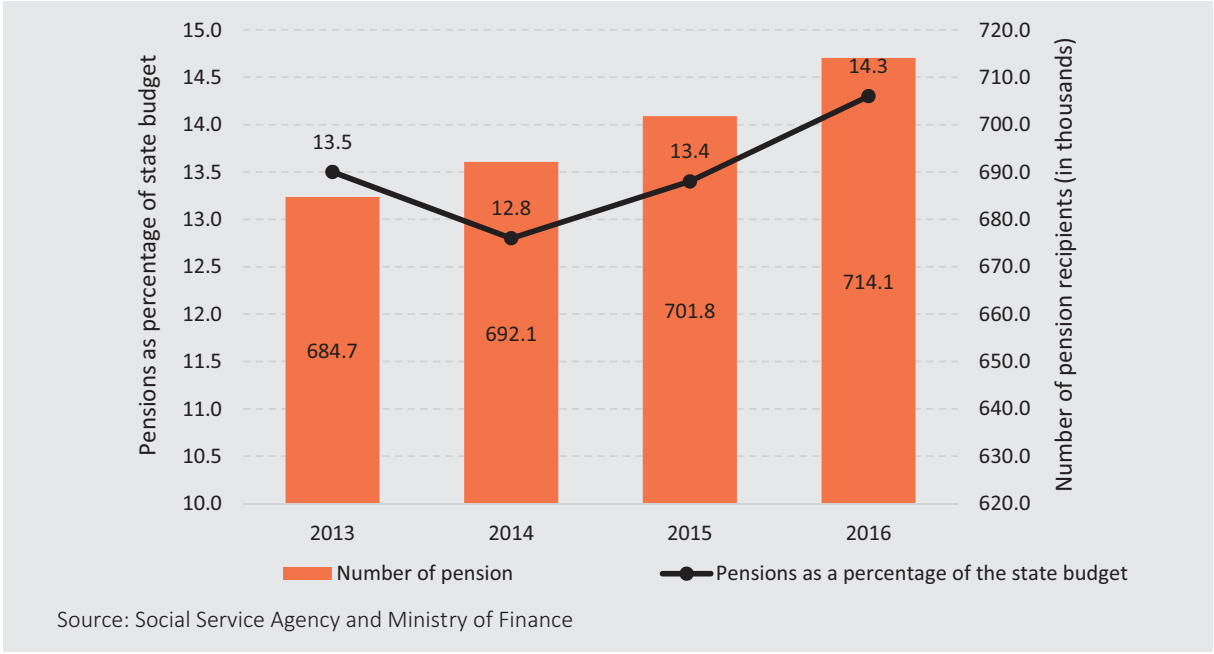
32 Geostat calculates subsistence minimum indicators based on the minimum food basket defined and established according to the decree N 111/n of 2003 May 8 of the Minister of Georgian Labour, Health and Social Affairs ''On Approving Norms for Physiological Requirements of Food Substance and Energy and Determining Composition of Minimum Food Basket for Calculation of Subsistence Minimum". The minimum food basket is a basket of defined quantities of food products, which contains the amount of food that is physiologically required (in terms of proteins, fats and carbohydrates) for a working age male to lead a normal life and to have the ability to work (Geostat n.d.).

33 Before 2004, because of very limited state resources, in particular a small tax base (before 2005 social security was mainly financed by payroll tax and informal employment was widespread), public social security was not able to properly fulfil its functions. Pensions amounted to only 20-30 percent of the subsistence minimum and payments were chronically delayed. Starting from 2004, old-age pensions are financed from the state budget. Before they were financed by State United Social Insurance Fund. Currently the old-age pension program is administered by the Social Service Agency.

34 The Law of Georgia "On the Development of High Mountainous Regions. Article 4, paragraph 2. 16/07/2015 No 4036-RS".

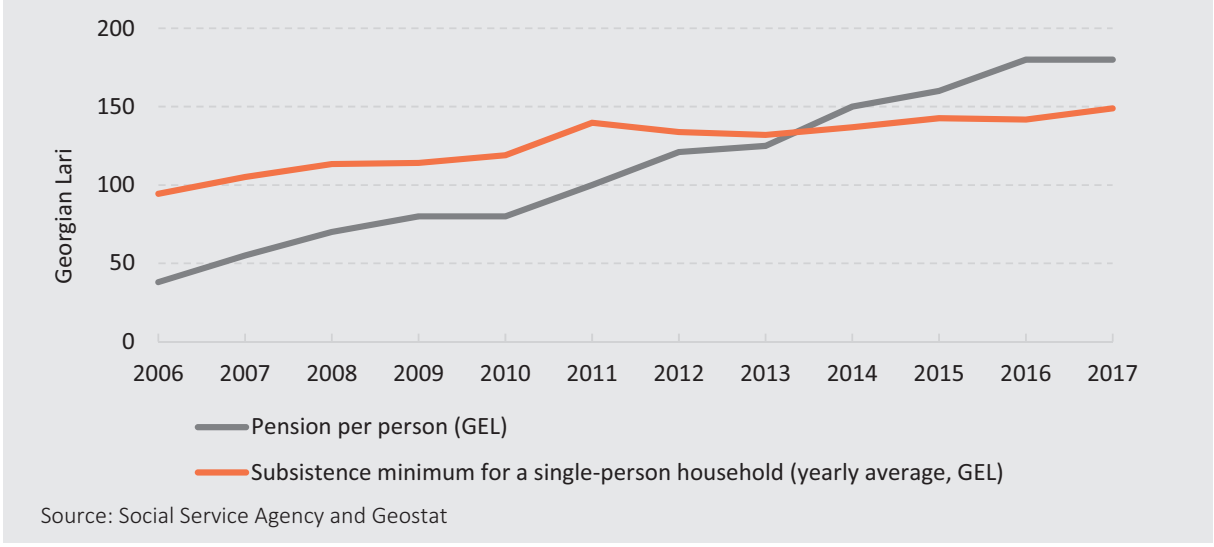
35 Source: Social Service Agency and Geostat (authors' calculations).

Figure 4.9: Number of persons receiving old-age pension (in thousands) and the total amount spent on pensions as a percentage of the state budget, 2013-2016



Source: Social Service Agency and Ministry of Finance

Figure 4.10: Trends in old-age pension and subsistence minimum, 2006-2017



Source: Social Service Agency and Geostat

subsistence minimum is defined on the basis of a consumption basket that for 70 percent is based on the minimum food basket and for 30 percent represents essential non-food expenditures. Since older persons make considerably higher costs for medicines (see section 5.1), it would be more accurate to determine a subsistence minimum for elderly separately, taking into account their divergent expenditure structure.

4.3.2 Proposed Changes in the Pension System and Their Impact on Older People

The Georgian government is currently drafting a new Law on Pension, with the aim of ensuring the financial sustainability of the existing old-age pension, defined as social pension and of increasing the Income Replacement Rate pensioners enjoy once they stop working. The main feature of the proposed reform is the introduction of a private pension saving system along with the existing old-

age pension, to generate a supplementary pension at the time of retirement. The private pension saving system will be based on contributions paid by employees and by employers, which are expected to be complemented by government's contributions. Specific details of the planned reform are not published yet, as this is still work in progress. Based on the Ministry of Economy and Sustainable Development of Georgia's report on pension reform (Ministry of Economy and Sustainable Development of Georgia, 2016), the following design is considered:

- The government will continue provision of old-age pension. In order to protect existing pensioners against poverty, indexation will be introduced.
- The private pension savings scheme will be based on a defined contribution. The proposed reform envisages the introduction of the 2%+2%+2% contributions system. Those enrolled would contribute 2 percent of their salary to the fund, with the government and employers each adding another 2 percent. However, for gross earnings exceeding 24 thousand to 60 thousand GEL per year, the government contribution will be limited to 1 percent. No additional contribution is planned from the government side to the part of gross earnings exceeding 60 thousand GEL per year.
- The system will be based on the 'opt-out' principle, according to which all hired employees are automatically enrolled in the system, but have the opportunity to opt-out, should they wish to do so.

The proposed reform, if efficiently implemented, may provide future generations of pensioners with a better income at retirement. They will be less dependent on government finances at their pension age and may plan their retirement in a better way. However, it has to be mentioned that different official retirement ages for men (65 year) and women (60 year) place women in a disadvantaged situation in case of a private pension system, as they will have five years less to contribute and accumulated funds will be lower for them. In addition, taking into consideration that on average women's life expectancy is higher compared to men's, accumulated funds will be divided over more years and women will on average benefits less from private savings. This aspect has to be addressed by policy makers.

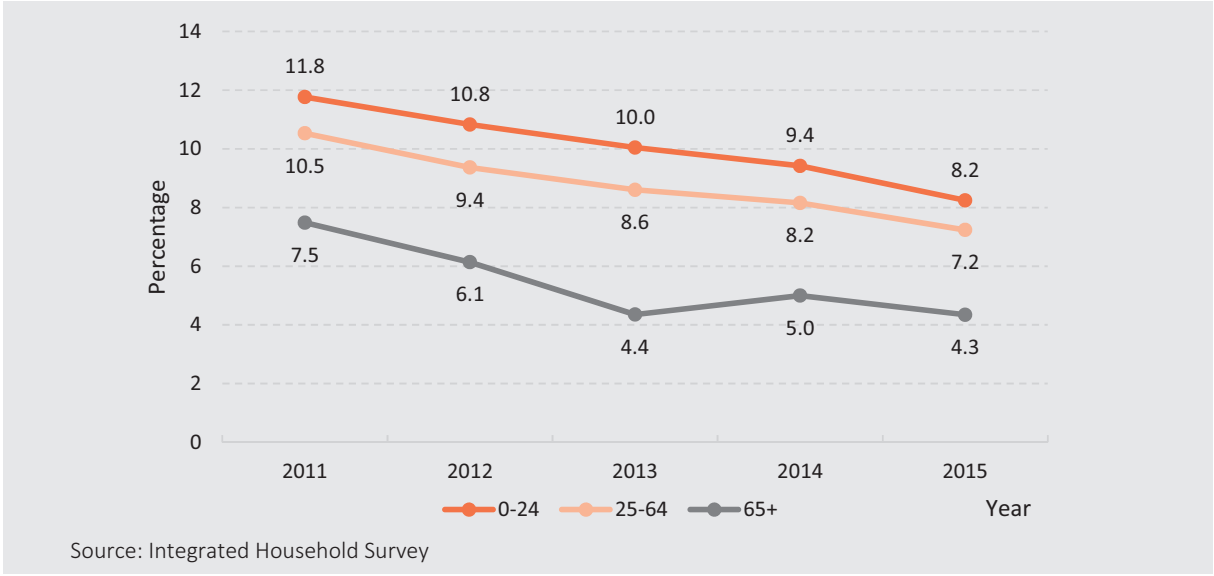
It is important to note that current pensioners and those who are going to retire soon will not be able to benefit from introduction of private saving pension. With a 6 percent contribution rate, at least 20 years are needed for accumulation of a sufficient amount in the pension fund and ensuring a decent replacement rate. This is why the old-age pension and its development is most crucial for the present old-age population and for those who are currently above 40 years of age. The Ministry of Economy and Sustainable Development has not yet announced what will be the practical implementation of these plans, in particular, what exactly will be the implementation of the old-age pension indexation. If the old-age pension will be indexed to inflation and wages grow by a rate that is higher than the inflation rate (3 percent being the long-term target announced by the National Bank of Georgia), then future pensioners' replacement rates will decrease. In order to insure a decent old-age pension, the state may index old-age pension to the wage growth rates or think of other alternative ways.

4.4 Material Wellbeing and Poverty

4.4.1 Poverty

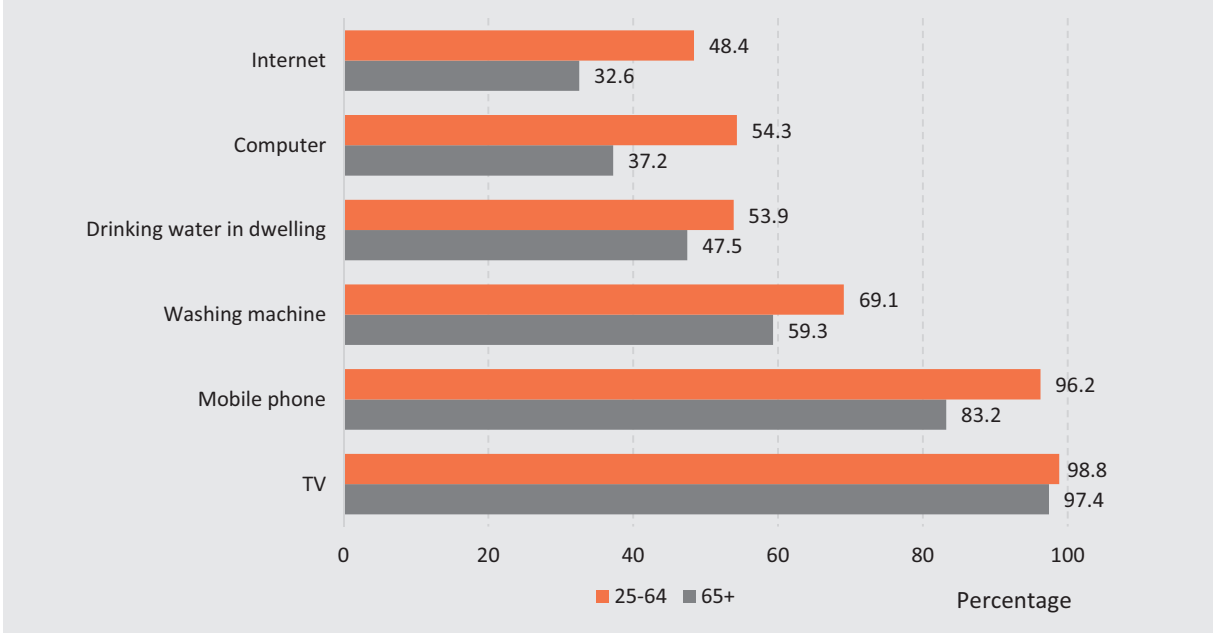
A study by the World Bank on poverty and labour market in Georgia showed that many of the characteristics that are associated with poverty – living in a household without labour income, working in agriculture and as self-employed – apply to the older population (see sections 4.1.2 and 4.2). However, the picture that emerges from the poverty estimates of the Integrated Household Survey (IHS) does not identify the older population as particularly disadvantaged. On the contrary, the percentage that is classified as poor – measured as the percentage of the population under 40 percent of the median national consumption – is significantly and consistently below that of younger adults and, especially, children (*Figure 4.11*). The data from 2011 to 2015 also show a steady decline in the poverty rates for all age groups.

Figure 4.11: Percentage of the population under 40 percent of the median national consumption, by major age group, 2011-2015



Source: Integrated Household Survey

Figure 4.12: Percentage of population aged 25 and over with selected household assets, by major age group, 2014

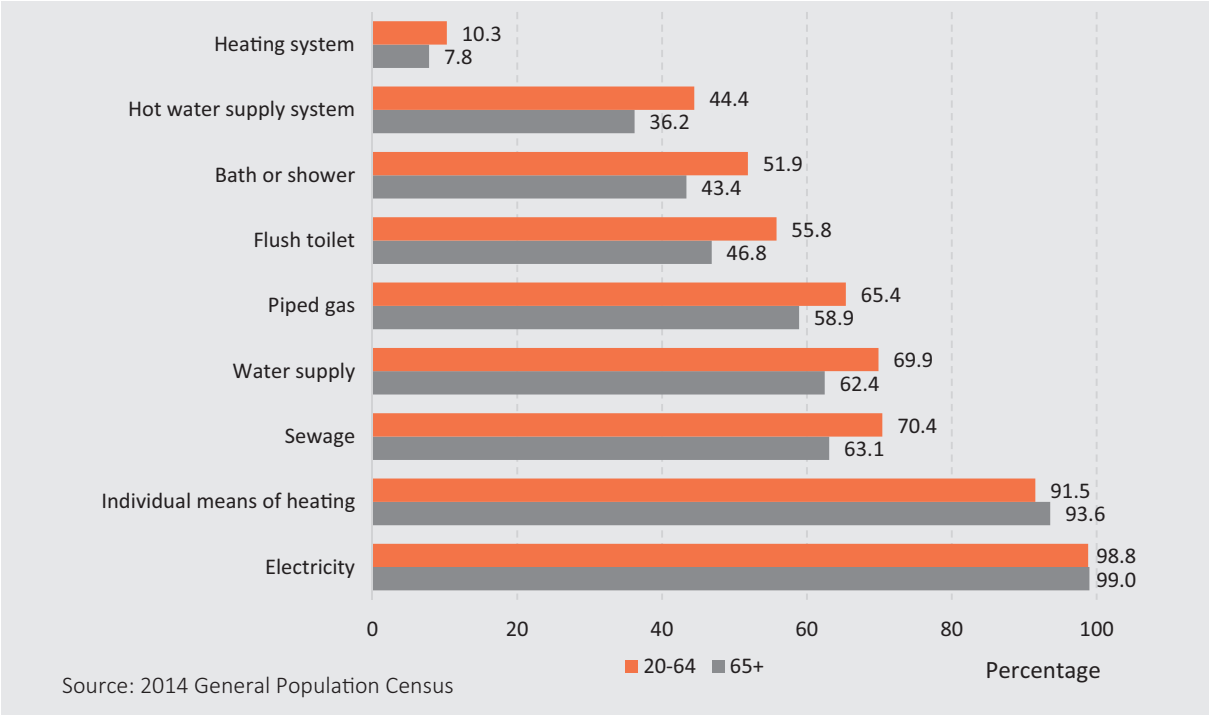


Source: Integrated Household Survey

4.4.2 Household Assets and Housing Facilities

Although the consumption-based poverty indicator from the IHS suggests that older people are not worse off than younger generations, information about the presence of assets in the household show a different picture. According to both the IHS (*Figure 4.12*) and the 2014 census (*Figure 4.13*), the older population has consistently less access to household assets than the younger adult population. Although the presence of a TV is almost universal for both age groups, on other household assets – and especially for modern assets, like mobile phones, computers and internet access – the old-age population scores less well than their younger counterparts. The same applies to

Figure 4.13: Percentage of population aged 20 and over with selected dwelling facilities, by major age group, 2014



Source: 2014 General Population Census

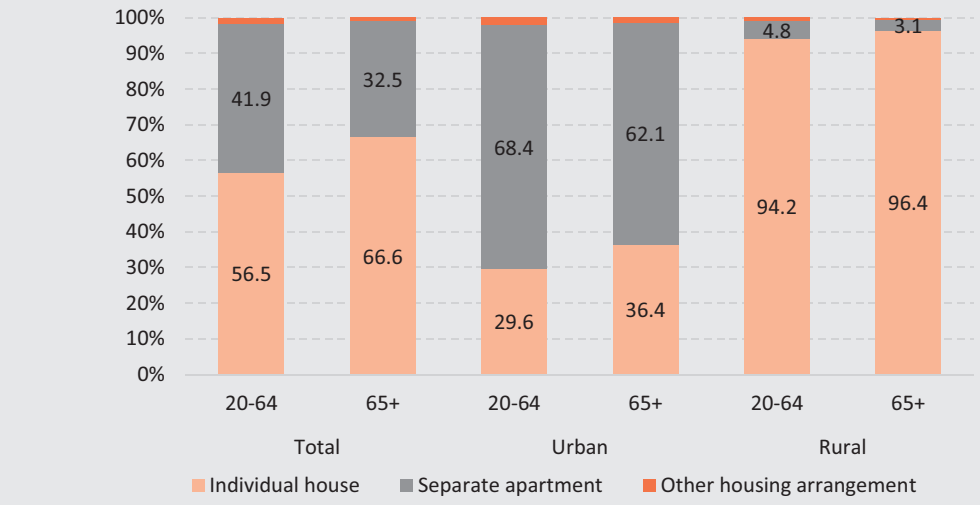
the presence of most dwelling facilities. Less than half of the population of 65 and over has access to a flush toilet (46.8 percent), a bath or shower (43.4 percent) and a hot water supply system (36.2 percent) in the dwelling and less than two thirds has access to sewage and water supply (63.1 and 62.4 percent, respectively). The scale of material deprivation is much larger in rural areas than in urban environments.

4.4.3 Housing

As can be expected, persons aged 65 and over live on average in older dwellings than the younger adult population. More than three quarters (77.4 percent) live in dwellings that were constructed before 1981, against around two thirds (69.3 percent) of the younger adult population. Some 22.6 percent live in dwellings that are built after 1981 and only 3.0 percent that in dwellings that are built since the start of the new century. The corresponding figures for the population aged 25 to 64 are 30.7 and 5.3 percent, respectively. Although in general the housing stock in Georgia is quite old, older people tend to have less comfort of modern housing than other parts of the population. In addition, persons of old age more often live in single houses compared to the younger generations: 66.6 against 56.5 percent (*Figure 4.14*). However, the difference in housing arrangements is basically an urban issue, as in rural areas 96 percent of older adults and 94 percent of younger adults live in single houses. In urban areas, a majority live in apartments.

As the housing quality of old apartment buildings is often very poor due to lack of proper maintenance and management (cf. UNECE, 2014), many people have to deal with adverse conditions, such as non-working elevators, humidity, leaking roofs, poor isolation and generally degraded situations. Such conditions tend to affect older people even more than younger generations, as they are more vulnerable and less mobile. Thus, a non-operational elevator may effectively trap people inside if they are unable to climb stairs. In this respect, it is unfortunate that the census forms did not include questions about the condition of elevators in residential buildings.

Figure 4.14: Adult population aged 20 and over, by housing arrangement, and by urban-rural residence, major age group, 2014 (in percentages)



Source: 2014 General Population Census

5. Health

Older people are more vulnerable to health problems, particularly to chronic diseases and diseases related with disability and a diminished quality of life. Ageing is associated with accumulated damage to cells that, over time, weakens the immune system, diminishes the body's capacity to repair itself and increases the risk of developing a host of different diseases. Age also reflects the amount of time a person has been exposed to various external health risks whose effects accumulate over time, such as an unhealthy life style, including alcohol and tobacco use and unhealthy diets. Also, widowhood and social isolation affect the health of older persons more than that of any other age group (WHO, 2015). As the old-age population will increase, both in terms of absolute numbers and as share of the total population, increased costs for health care and long-term care are bound to become an increasingly important policy issue.

Health information about older persons in Georgia is available to some extend but there is unfortunately no centralised approach and data-collection system to effectively study this subject. With a series of questions about disability, the 2014 population census covered only one health issue. Other data sources that are used for this chapter on health include the Social Service Agency, the 2015 Welfare Monitoring Survey (WMS) conducted by UNICEF (UNICEF, 2016), the Integrated Household Survey (IHS) from Geostat and the Labour Informality Study (LIS).[36]

5.1 Health Care Insurance and Health Care Expenditure

5.1.1 Health Care Insurance

Before 2013, Georgia had no universal health care insurance system. Before 2007, the state provided the poor population with medical insurances and premiums were covered by the Health and Social Programmes Agency under the Ministry of Labour, Health and Social Affairs (MoLHSA). A state-funded health care insurance programme covered expenses for essential health services for persons below the poverty line and specific other groups.[37] From and from September 2012, the government added an insurance for pensioners, severely disabled persons and again other specific groups.[38, 39] The state purchased insurance for these groups from private insurance companies. In February 2013, a new Universal Health Care (UHC) programme was established for uninsured people. In 2014, the state health insurance programmes were integrated into the UHC programme. A primary aim of the UHC programme was to provide better financial access to health care services for the total population and to reduce out-of-pocket expenditures. The UHC programme covers costs for planned ambulatory care, as well as for emergency in- and out-patient services, elective surgery, chemo-, hormone- and radio-therapy and obstetrical care. The programme also includes funding for essential drugs for specific target groups in the population.

Currently, the UHC programme covers all pension-age people, which implies that in terms of coverage the SDG indicator 3.8.2 (the percentage of people covered by health insurance or a public health system) is achieved for the older population. According to the WMS 2015, for two-thirds (65 percent) of pensioners this UHC programme is the main source of funding for medical costs. For a remaining one-third, the household budget or help from friends or relatives appears to be the main source of funding. The average amount paid by older people for medical consults during their most recent visit (except for the amount paid by the UHC programme) is GEL 25.

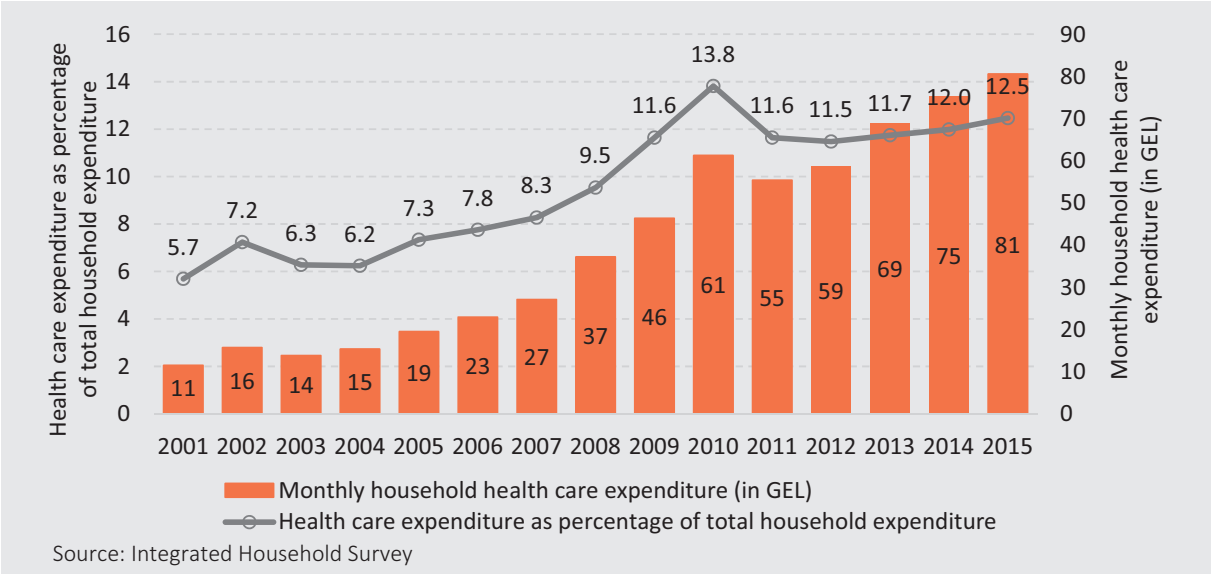
36 The authors are grateful to the program area 'Labour in post-transition and emerging economies' of IZA for granting access to the data.

37 Teachers, orphaned children and compactly settled IDPs.

38 Children up to 5 years of age, students and disabled children

39 In 2012, only 8 percent of the population was insured in private insurance, while 36 percent was covered by state insurance and 56 percent were uninsured (UNFPA, 2015).

Figure 5.1: Average monthly household health care expenditure and health care expenditure as share of total household consumption expenditure, 2001-2015



Source: Integrated Household Survey

5.1.2 Health Care Expenditures

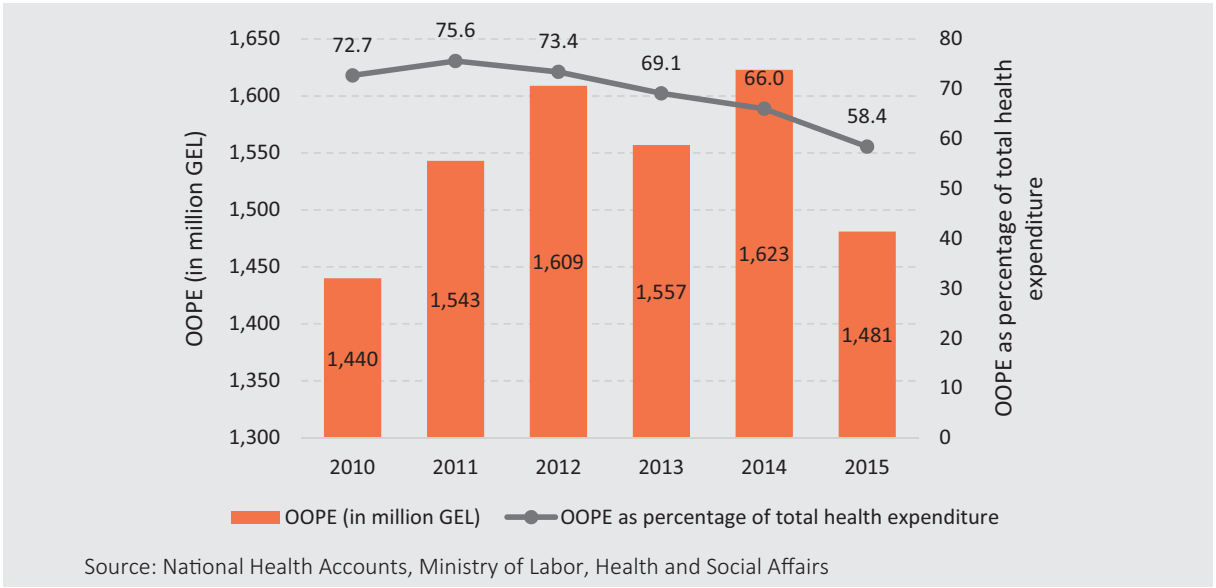
In 2015, health costs constituted a significant share – 12.5 percent – of household consumption expenditures. A trend is visible that this share is increasing since the start of the century. The rise in the absolute amount spent on health care is even stronger (*Figure 5.1*). Older persons are especially vulnerable to medicine expenses for chronic conditions, as usually these are not covered by the UHC. For 96 percent of the older population, the household budget was the main source of purchasing medicines.[40] Their average monthly expenses for medicines is GEL 67, which amounted to 37 percent of their monthly pension in 2015. Starting from June 2017, the UHC programme will reintroduce the coverage of medicines for four chronic diseases for specific target groups, including pensioners. This will reduce the burden of medicine expenditures for older people.

Information from the National Health Accounts (NHA) provides insights into health care expenditure aggregated at country level. Although this information does not allow disentangling data for the older population, it does provide a good picture of recent changes on health care expenditure. According to the NHA, total expenditure on health in Georgia amounted to 8.2 percent of the GDP in 2015, a figure that was relatively stable over the last decade, ranging from 7.6 to 9.8 percent. Almost 64 percent of total expenditures came from private sources.[41] Before the UHC reform, private sources amounted up to 80 percent of total health expenditure. As for specifically out-of-pocket expenditures by households, their share in total health expenditure is also decreasing (*Figure 5.2*). Comparative figures from the WHO show that Georgia has made more improvement than neighbouring Armenia and Azerbaijan in reducing out-of-pocket expenditures as share of total health expenditures (*Figure 5.3*). However, the burden on the private household budget can still be considered high.

40 Source: WMS 2015, author's calculations.

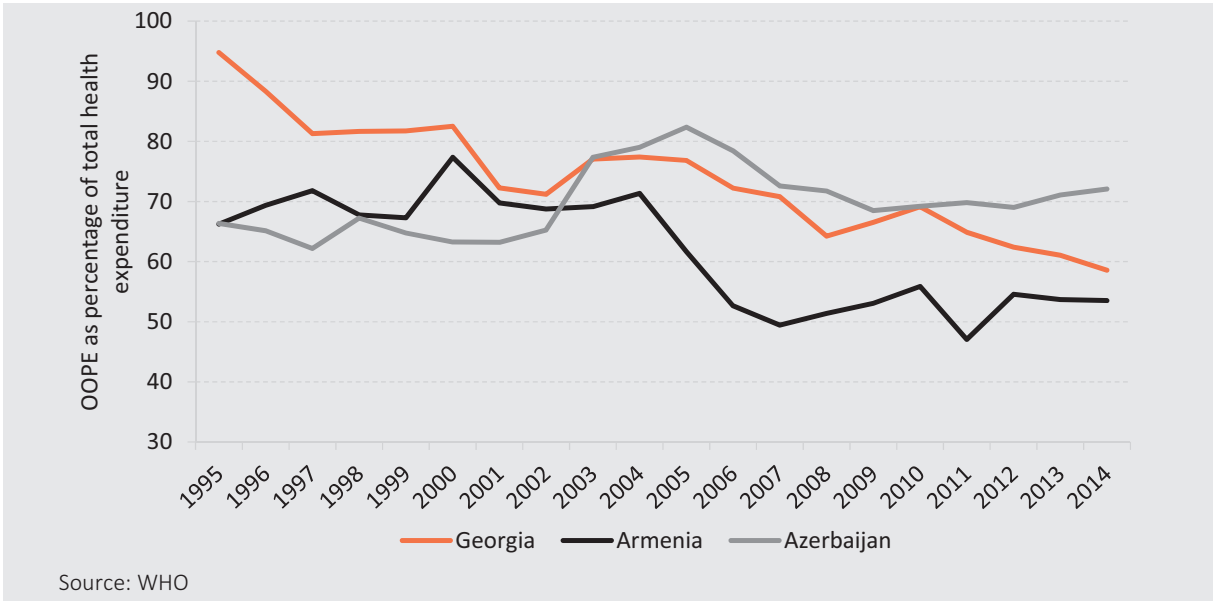
41 Private sources include direct household (out-of-pocket) spending, private insurance, charitable donations and direct service payments by private corporations.

Figure 5.2: Out-of-pocket expenditures (OOPE) and OOPE as a share of total health expenditure, 2010-2015



Source: National Health Accounts, Ministry of Labor, Health and Social Affairs

Figure 5.3: Out-of-pocket expenditure as percentage of total health expenditure, 1995-2014



Source: WHO

5.2 Health Status

The Welfare Monitoring Survey is a biennial longitudinal household survey, covering all regions that are under the control of the Government of Georgia. It investigates the multi-dimensional wellbeing of the population and households, with topics covering household consumption, poverty, material deprivation, health and school attendance. Its primary focus is on children, but it also allows tracking the situation of the older population in the country. As shown in *Figure 5.4*, 57.6 percent of older persons rate themselves unhealthy (in bad or very bad health) and only 9.8 percent think that they have good or very good health. This is in stark contrast to the health assessment of younger persons, of whom 64.5 percent consider themselves in good or very good health and only 14.4 percent in poor health. Older women tend to evaluate their health status poorer

Figure 5.4: Self-assessed health status, by major age group, 2015 (in percentages)

Source: WMS 2015, author's calculations

Table 5.1: Healthy life expectancy at birth and at age 60, for selected countries, 2015

Country	Healthy life expectancy					
	at birth		gender gap	at age 60		gender gap
	males	females		males	females	
Russian Federation	59.0	67.8	8.8	12.5	17.1	4.6
Ukraine	60.2	67.8	7.6	12.7	16.6	3.9
Republic of Moldova	61.9	67.8	5.9	12.8	16.3	3.5
Azerbaijan	62.8	68.4	5.6	13.4	14.2	0.8
Georgia	63.4	69.3	5.9	13.6	17.0	3.4
Bulgaria	63.8	69.2	5.4	13.7	17.1	3.4
Romania	64.0	69.7	5.7	14.2	17.4	3.2
Turkey	64.5	67.8	3.3	14.7	17.0	2.3
Armenia	64.6	68.9	4.3	14.2	16.9	2.7

Source: WHO Global Health Observatory data repository, available at:: http://apps.who.int/gho/data/node.main.HALE?lang=en, last accessed on July 31, 2017

than men with 60.6 percent indicating poor health against 52.4 percent of men (data not shown).

In addition to the absolute number of years a new-born can expect to live (see section 2.3), it is possible to calculate the number of years a person can expect to live in good health. This healthy life expectancy is calculated by subtracting the years of life spent in a state of disability from the total life expectancy. *Table 5.1* presents WHO estimates of healthy life expectancy in Georgia compared to other countries in the region, in which it takes a middle position. The Global Burden of Disease Study (NCDC, 2016) indicated that the increase in the prevalence of diabetes, osteoarthritis, cerebrovascular disease, ischemic heart disease and particularly Alzheimer's disease are associated with ageing of the population.

The WHO estimates of general life expectancy at age 60[42] (16.9 for men and 21.5 for women)[43] and

42 Global Health Observatory data repository, Life Expectancy Data by Country: http://apps.who.int/gho/data/view.main.SDG2016LEXv?lang=en (accessed 19 May2017).

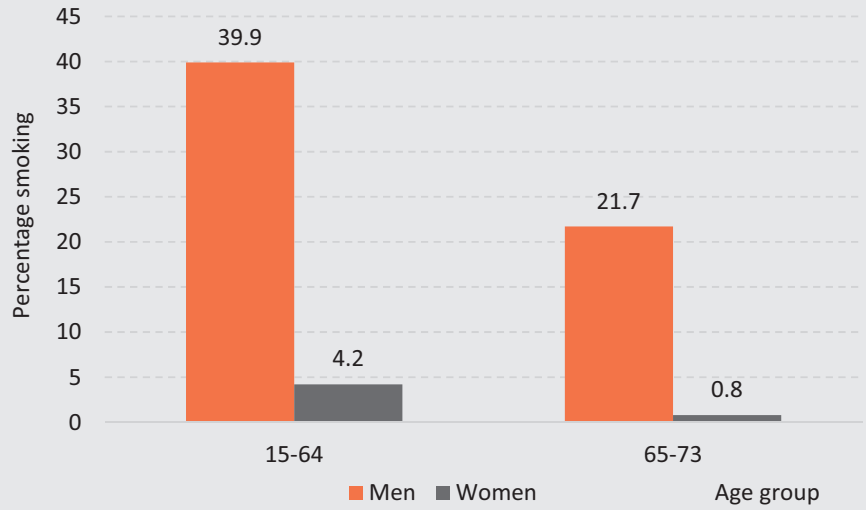
43 These estimates are very close to the census-based calculations

healthy life expectancy at age 60 (13.6 and 17.0, respectively; *Table 5.1*) would imply that both men and women would live four-fifths of their remaining life years in good health and one-fifth in poor health. However, women may expect to have 3.4 more years in good health than men.

As with the general life expectancy, the version of healthy life shows a considerable gender difference in favour of women. Part of the difference in healthy life expectancy can be explained by gender-specific lifestyle characteristics. Smoking is one of the major risk factors of diseases of the circulatory and respiratory systems and lung cancer, which are the main causes of death of older people in Georgia (see section 5.4). As shown in *Figure 5.5*, men in Georgia smoke substantially more than women. The 21.7 percent tobacco users among older men would imply that for this sub group the SDG target of indicator 3.a.1 (20 percent prevalence of current tobacco use) is all but met and that for older women this is far surpassed. The main challenge in this respect appears to be in the younger age groups. The higher proportion smokers among men under age 65 (39.9 percent) is an indication that at younger ages the current older generations may have smoked more often. This will negatively affect their current health and survival chances, even if their current tobacco use is moderate.

Older people seem to rely more on self-treatment at home when facing health problems. According to the Welfare Monitoring Survey some 45 percent report that during the last 12 months they did not receive medical care when they thought they needed it, compared to 25 percent for the younger adult population (aged 15 and over). This implies that for the old-age population the target for the SDG indicator 3.8.1 (85 percent of population who reported being sick with any condition in the last 6 months and consulted a health care provider) represents a health care challenge. Out of these older persons who did not receive medical care, 78 percent applied self-treatment at home and 17 percent could not afford to pay for any treatment. The remaining 6 percent stated that the reason of not visiting a doctor was that the health facility was too far or too difficult to reach, the quality of health care was not good or another reason.

Figure 5.5: Percentage of persons smoking, by sex and by major age group, 2012



Source: Labour Informality Survey 2012

5.3 Disability

Disabilities impact on people's lives in many areas. The WHO's report on disability (WHO, 2011) mentions that disabled persons have poorer health outcomes, lower educational achievements, less economic participation, higher rates of poverty,

of male and female life expectancy at age 60 (16.0 and 20.4, respectively) (Hakkert, 2017).

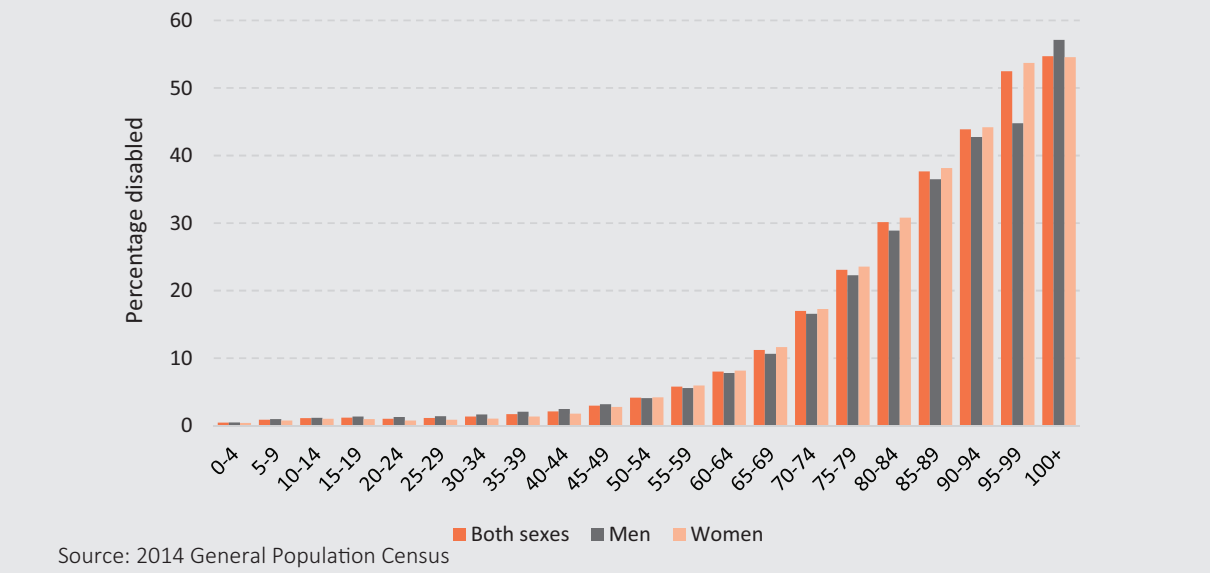
increased dependency and restricted participation in leisure pursuits and social contacts, and face difficulties in mobility, the use of transport equipment and access to buildings.

The battery of questions on disability in the 2014 population census largely followed the census 2010 round recommendations of the Washington Group for the measurement of disability (Washington Group, 2010). This battery covers six domains of physical and mental functioning[44] and ranks the extent to which people face difficulties in each functioning domain, as 'no difficulty', 'some difficulty', 'a lot of difficulty' and 'cannot do it at all'. If one of the two latter categories is recorded for any one domain, the person is classified as disabled. It should be noticed that censuses often underreport the prevalence of disability compared to targeted surveys (United Nations, 2001). Comparability of disability results is also questionable, as differences in methodology[45] and self-assessment of functioning – across groups and over the life course – may have a large impact on what is reported (WHO, 2015).

5.3.1 Prevalence and Pattern of Disability

In the 2014 census of Georgia, 185 thousand people were recorded as disabled, among whom 108 thousand (58.6 percent) in the old-age category. This concentration of disability in the older population is the result of the natural process of a decreasing capacity of individuals to regenerate physically when growing older. This effect is reflected in the typical pattern of disability prevalence – here presented as the percentage disabled in the population – that increases with age, especially from age 65 onward (*Figure 5.6*). Whereas 5.0 percent of the total population were recorded as disabled, 20.5 percent of the persons aged 65 and over were classified as such, and 33.5 percent of the oldest-old. In absolute figures, the largest number of disabled persons – 31 thousand – was found in the age group 75 to 79. Although the disability prevalence further increases beyond age 79, the size of the successive five-year age groups becomes too small to produce similar numbers of disabled.

Figure 5.6: Percentage disabled population, by sex, and by age, 2014



Source: 2014 General Population Census

As there are many more women than men in the old-age population, the majority of the older disabled population also consists of women: 70.6 thousand (65.2 percent) against 37.8 thousand men. However, the disability prevalence does not show a large gender difference, with 21.4 and 18.9 percent for older women and men respectively.

44 Seeing, hearing, walking or climbing steps, remembering or concentrating, communicating and self-care.

45 The questions asked in the Georgia census did not exactly follow the specifications of the Washington Group, which reduces comparability with censuses of other countries.

There is, however, a large difference observed in the old-age disability prevalence across regions: the rate in Racha-Lechkhumi and Kvemo Svaneti (30.7 percent) is twice as high as that in Adjara (15.7 percent), whereas Tbilisi is close to the national average with 18.9 percent. There is an obvious relation between the old-age disability prevalence and the age structure of the population 65 and over within the regions, as regions with larger shares of very old (80 and over) people tend to have a higher prevalence. However, this relation does not provide the entire explanation of the regional differences.

5.3.2 Types of Disability

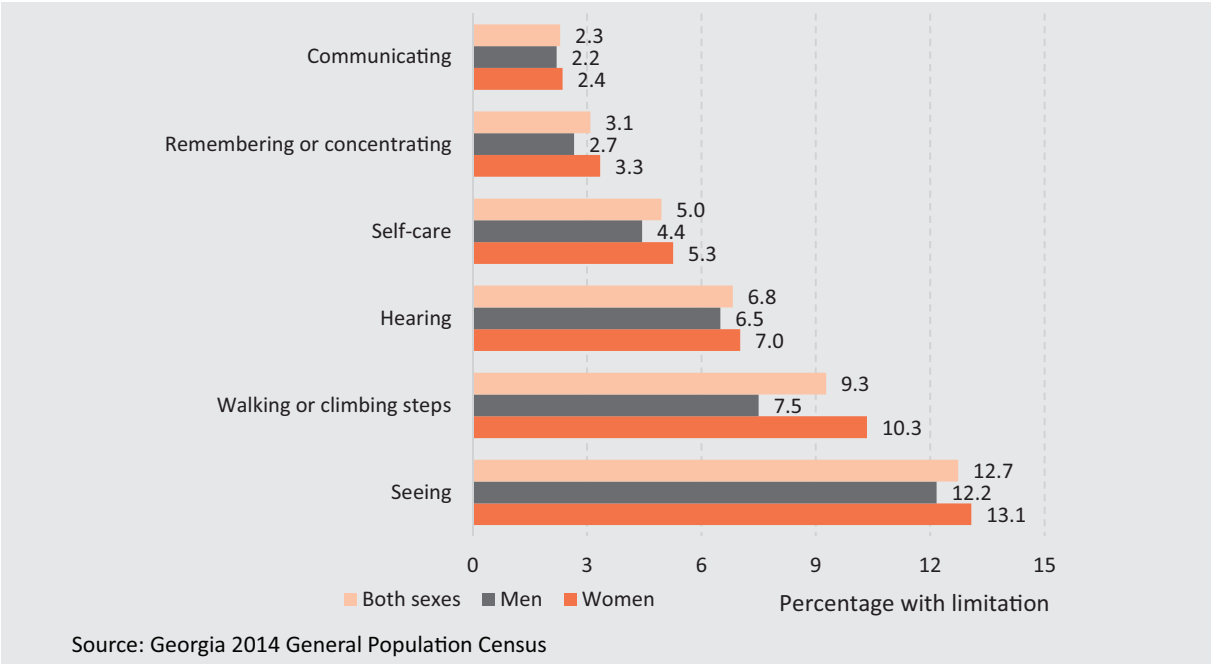
Worldwide, blindness and visual impairment is the most common type of functional disability. This is also the most common disability type encountered among the old-age population in the 2014 census of Georgia. Close to 13 percent of this population mentioned severe problems with seeing or complete blindness (*Figure 5.7*). Problems with moving around – specified as walking or climbing steps – also affects a considerable proportion (9.3 percent) of the older people, while limitations in communicating and remembering and concentrating were mentioned much less. The disability-specific prevalences are consistently higher for women than for men – and especially for walking or climbing steps – but this is again partially explained by the older age structure of old women.

At older age, different disabilities tend to accumulate, as people develop functional impairments in different domains. The census recorded some 48 thousand older people with multiple disabilities, 69 percent of the total number of people with multiple disabilities. This figure implies a multiple-disability rate of 9.0 percent in the population aged 65 and over, with a corresponding figure of 18.8 percent in the oldest old of 80 and over.

5.3.3 Correlates of Disability

Among persons aged 65 and over who are not disabled, the numbers that are active on the labour market[46] and the numbers that are not, are quite evenly distributed (*Figure 5.8*). However, among the disabled, the economic activity rate is significantly lower at 39.5 percent, indicating their further difficulty in accessing the labour market. There is also a strong inverse correlation between disability and educational attainment, as shown in

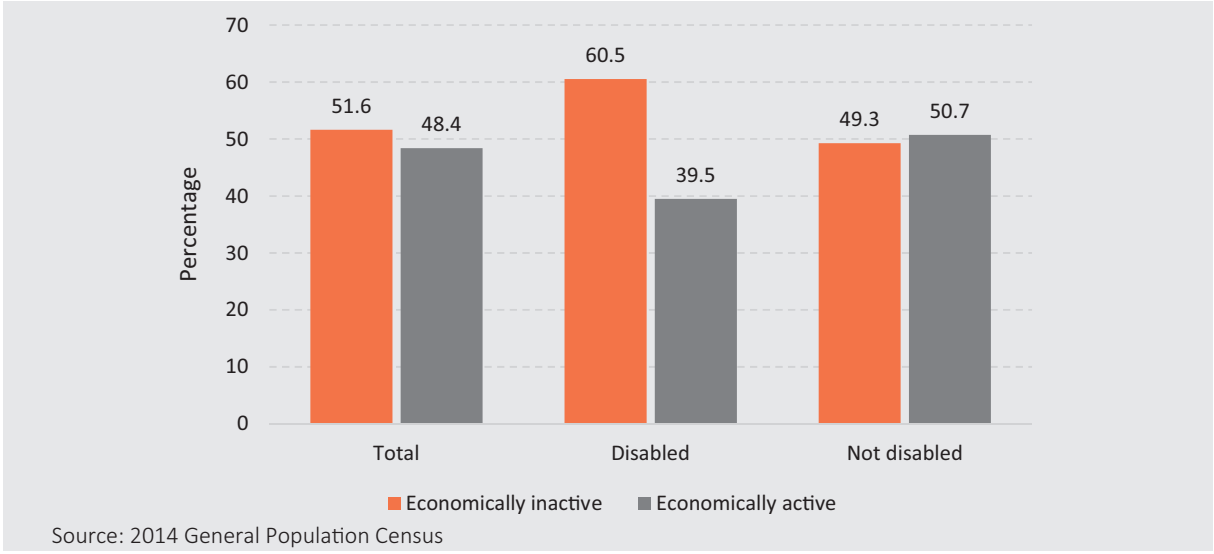
Figure 5.7: Percentage disabled population aged 65 and over, by type of functional limitation, 2014



Source: Georgia 2014 General Population Census

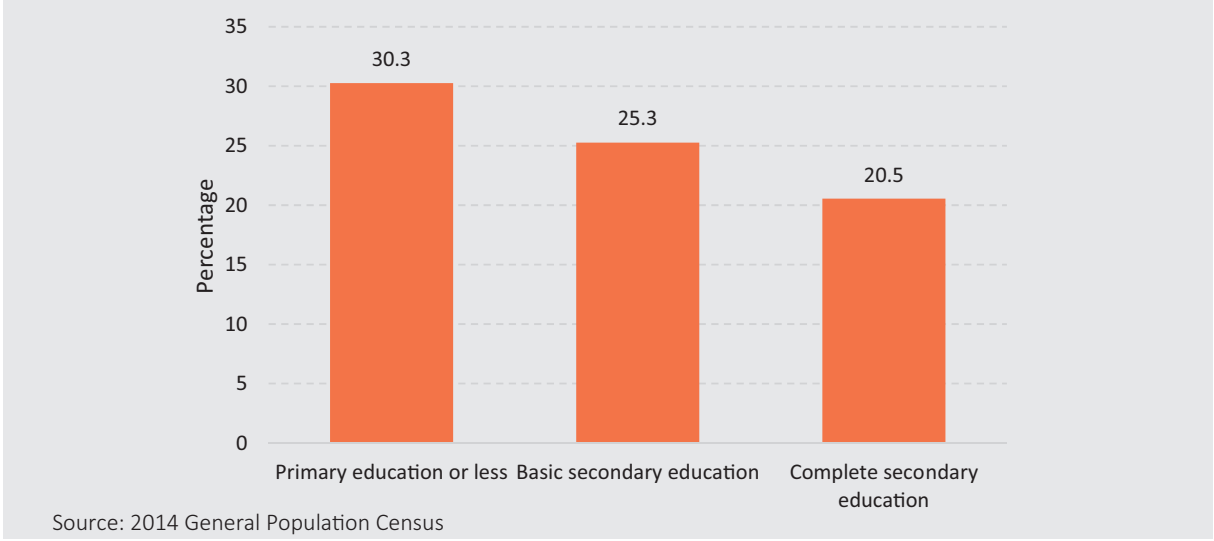
46 *Either by working (47.1 percent) or by looking for work (1.3 percent).*

Figure 5.8: Population aged 65 and over, by economic activity status, and by disability status, 2014 (in percentages)



Source: 2014 General Population Census

Figure 5.9: Percentage of disabled population aged 65 and over, by highest attained level of education, 2014



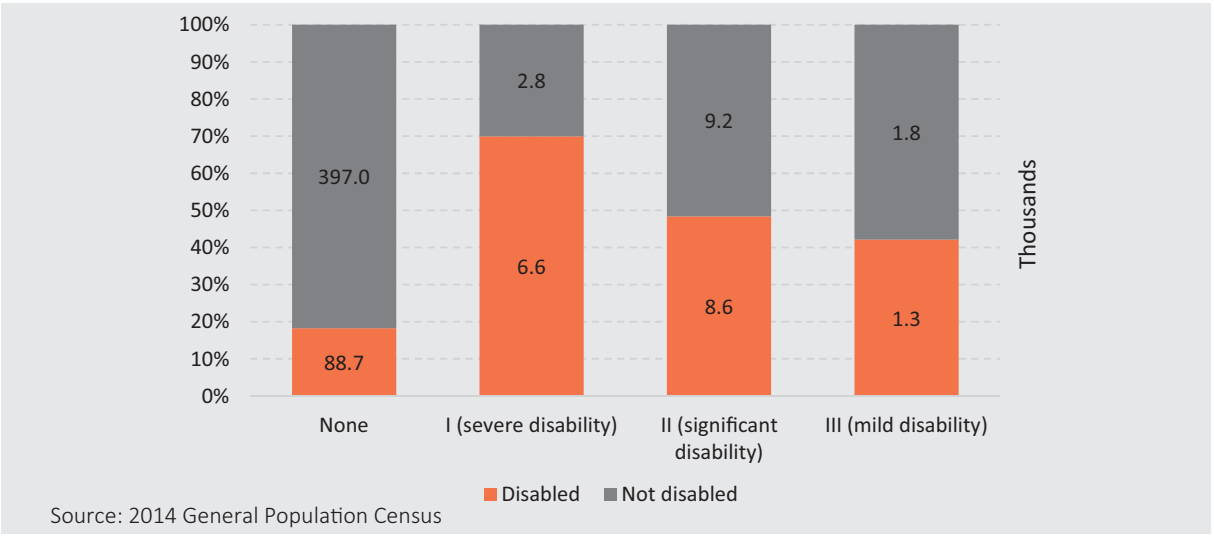
Source: 2014 General Population Census

Figure 5.9. As much as 30.3 percent of the old-age population with primary education or less is in the census reported as disabled, compared to only 17.7 percent among the older persons with higher or professional education. The causal relation between educational attainment and disability at old age is probably double in nature: disabled children are disadvantaged in their educational opportunities and lower educated persons – as a consequence of harder physical work and poorer living conditions – are more exposed to the risk of becoming disabled over the course of their life.

5.3.4 Disability Classification and Self-reported Disability Status

Georgian citizens with a disability are entitled to a disability social package, with a payable amount depending on the severity of the disability. Group I consists of people with severe disabilities, group II of people with a significant disability and group III of people with mild disabilities. In addition, there is a separate category for children with disabilities. The census provides an interesting opportunity to investigate to what extent this disability

Figure 5.10: Population aged 65 and over, by disability classification, and by disability status, 2014



Source: 2014 General Population Census

classification coincides with the self-reported disability status as presented in section 5.3.1, as it also asked whether the household members were classified in one of these disability groups.

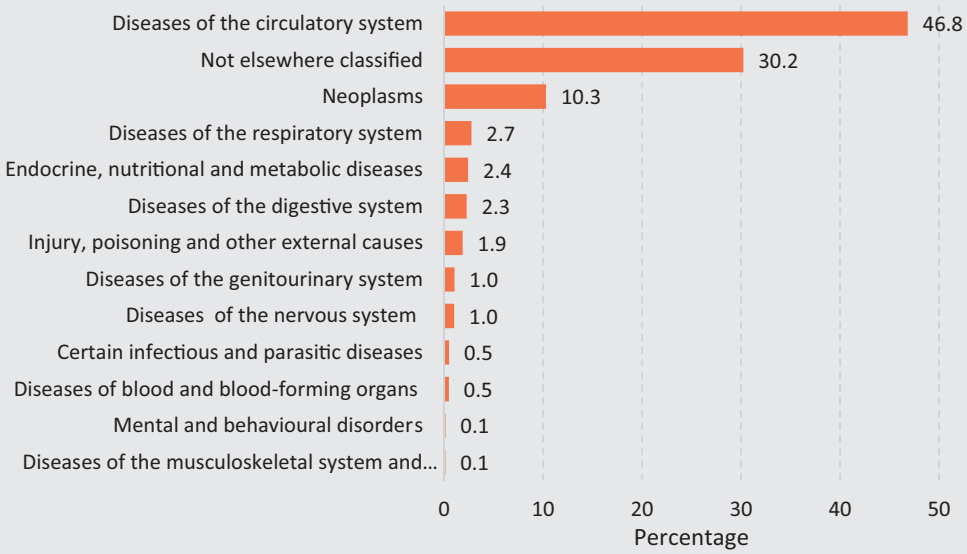
Seventy percent (6.6 thousand) of the people aged 65 or over who were assigned the severest disability classification (group I) also had a self-reported disability status (*Figure 5.10*). For the other two disability groups, these shares were smaller: 48 and 42 percent for groups II and III, respectively. Also among the large number of persons with no official disability classification (486 thousand people), a substantial share of 18.3 percent (89 thousand people) had severe problems with one or more physical or mental functionalities or were not able to perform at all in that functionality. All in all, only 15.7 percent (16.5 thousand persons) of older people who reported themselves as disabled according to the Washington Group criteria, were entitled to some form of disability social package. In addition, 3.4 percent (13.8 thousand persons) of people who did not report themselves as disabled received this entitlement.

5.4 Causes of Death

Section 2.3 of this report presented the life expectancies at birth and at age 65. It indicated that men and women who survived to age 65 could expect to live another 13.0 and 16.4 years, respectively. The vital statistics register provides an overview of the causes of death of people in the country. Of all 49 thousand recorded deaths in 2014, close to 40 thousand (81 percent) occurred among old-age persons of 65 and over. *Figure 5.11* shows the distribution of the causes of death in this older population. By far the most important causes of death (18.6 thousand cases, 46.8 percent) are diseases of the circulatory system (heart diseases, strokes and other diseases of the circulatory system). Most of these diseases are related to high blood pressure, cholesterol, diabetes and smoking. Neoplasms (cancer, 10.3 percent) is the second specified cause of death. This pattern is also found in the death statistics of the EU countries, although these two causes of death are less prominent than in the Georgian statistics, as especially diseases of the respiratory system and diseases of the nervous system are more often recorded in the EU. The other causes of death in the Georgian figures make up only small proportions of the total number. The finding that the second-largest category in the Georgian statistics is 'Not elsewhere classified' is discomforting, as it indicates that in almost one-third of deaths the actual cause of death was not determined.[47]

47 However, the National Center for Disease Control and Public Health (NCDC) reported a marked reduction of the share of the ill-defined causes of death from 54 percent in 2010 to 27 percent in 2015 (NCDC, 2016).

Figure 5.11: Causes of death in the population aged 65 and over, 2014 (in percentages)



Source: Public Service Development Agency (SDA)

6. Conclusion

With the worldwide process of population ageing came the recognition that older people should be entitled to fully realise their human rights and at the same time the recognition that realising this poses specific challenges to society. International agendas referring to ageing – the 2030 SDG agenda and the Plan of Action of the Second World Assembly on Ageing, with its echo in Georgia's National Action Plan on Ageing – stipulate healthy and poverty-free ageing, old-age participation in economic, political and social life, among others through full and productive employment, opportunities to develop in later life and an enabling and supportive environment, with an explicit reference to reduce inequalities between older and younger generations.

In Georgia, the ageing process is already in an advanced stage, with a share of persons aged 65 or older of 14.3 percent. Population projections suggest that this share will increase to 18.9 percent in 2030 and 25.3 percent in 2050. This shift in the age distribution implies on the one hand an increased demand for services – such as health care, old-age pensions and social protection – and on the other a decrease in the economic base to provide these services due to a smaller working-age population and reduced tax revenues.

Information from the 2014 population census – complemented with information from other sources – suggest that meeting the aims of the ageing agendas poses considerable challenges, as the old-age population in Georgia is in many respects situated in a disadvantaged situation. The old-age pension was insufficient to provide even a minimum subsistence level up to 2016. Many older people are forced to continue working for additional income, but the large majority do so in the unproductive agriculture sector as subsistence farmers. As older people's education level is often lower than that of the younger generations, they have poorer perspectives on securing better-paid jobs. The aim of life-long learning is not achieved in the old-age population. Older persons have consistently less access than the younger adult population to household assets and dwelling facilities, such as a flush toilet, a bath or shower, water supply and sewage.

Generally, old age is negatively associated with good health as a result of physical degeneration. This also applies to Georgia. Only one in ten old-age persons rate their health in positive terms, compared to two-thirds of younger adults. The census recorded 20 percent of the old-age population as disabled, against 3 percent in the young adult population. Although the disability prevalence is similar for older men and women, women tend to rate their health more often as poor than older men. On the other hand, their life expectancy is considerably longer. A woman of 65 years old can expect to live another 16.4 years, while a same-aged man has only another 13.0 years. One-fifth of these years will be spent in a state of disability. Longer female life expectancy also brings disadvantages. It increases the risk of widowhood and associated economic deprivation and social isolation. In addition, any pension that is accumulated from own savings is to be distributed over more remaining years of life.

Several positive developments can be observed in the position of the old-age population. Their level of education has substantially increased since the 2002 census and this also applies to the life expectancy, although more so for women than for men. The introduction of the Universal Health Care programme in 2013 implied a major reduction in the private costs for health care expenditure born by older people, even though out-of-pocket expenditure on health – especially for medicines – remains high. Finally, the proposed pension reform may also provide future generations of old-age persons with a better income at retirement.

To date it has not been possible to produce a complete Active Ageing Index for Georgia due to insufficient data. However, a tentative index was produced, in which Georgia performed particularly well in the domains of employment of

older workers and independent and autonomous living of older people (UNECE, 2012). However, it is debatable whether in the context of Georgia high scores in these domains should be labelled in positive terms. Older persons tend to continue working out of economic necessity and in marginal, low productivity jobs. Independent living could be an advantageous condition for older people if sufficient income and adequate housing conditions are guaranteed. However, people dependent on small pensions and living in degraded dwellings are usually placed in in an adverse situation.

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