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EMPLOYMENT AND UNEMPLOYMENT IN GEORGIA

2017
(ANNUAL)

	17.9	18.3	17.4	17.3	17.2	16.9	14.6	14.1	14.0	13.9
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
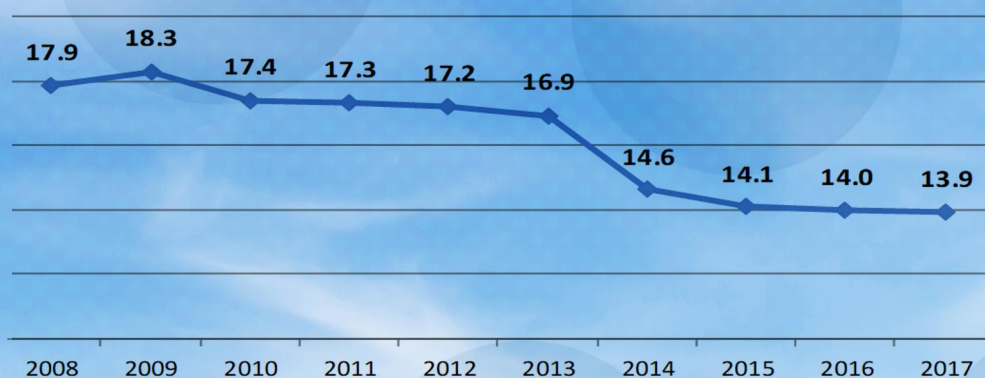
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Employment and Unemployment

2017 (Annual)

I.   Changes in Labour Force Survey in 2017

In 2017 fundamental changes took place in production of the labour force statistics. Over the last 15 years production of statistical indicators related to household incomes and expenditures, poverty and labour was based on the 2002 General Population Census. Social and economic indicators, including employment and unemployment indicators were derived from the existing sample survey ("Integrated household survey") which used the 2002 Population Census as its sample frame.

The General Population Census conducted in the country in November 2014 and whose results were released in 2016 revealed essentially new data in the population dynamics as well as the population's geographic distribution in the country. The use of the latest Population Census results started in 2017, implying a replacement of the 2002 Population Census data used as the target population for the labour force survey.
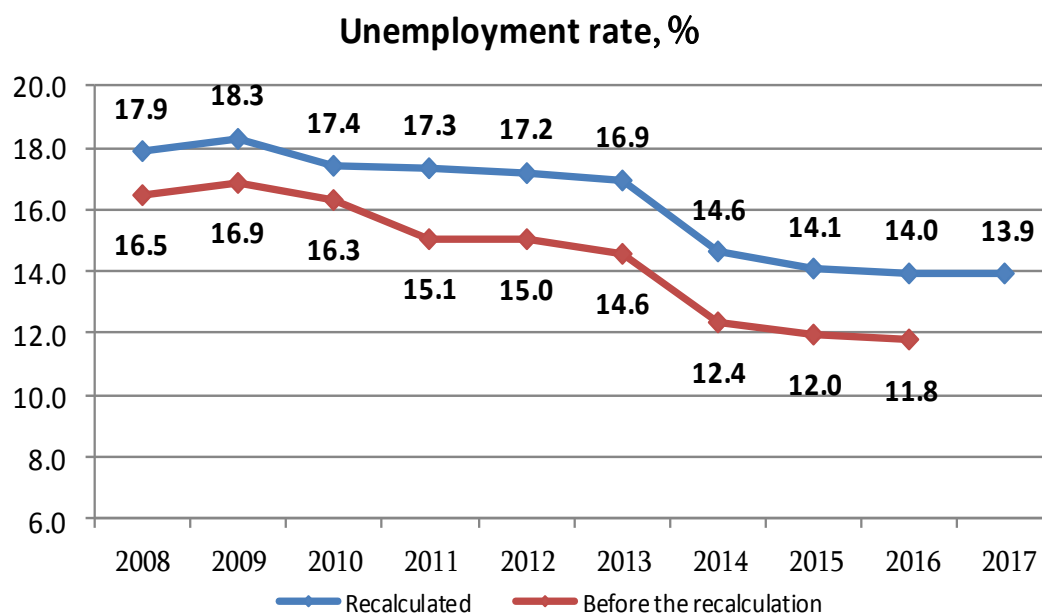
The Population Census 2014 data revealed an absolute decrease in the country's population, one the one hand, and a significant growth of the urbanization level, on the other. The recalculation of the labour force data in line with the latest census results resulted in a higher rate of unemployment due to a relatively higher level of unemployment in urban areas.

In addition to the use of the 2014 census data, the following measures taken with the methodological and technical support of the World Bank and other international organizations and partners served to further improving labor indicators:

- ✓ The Integrated household survey was split and a full-fledged labour force survey (LFS) was introduced:

- ✓ New indicators were added to the LFS questionnaire, a number of existing indicators were further streamlined and disaggregated;

- ✓ The survey sample size was increased from 3400 to 6000 households per quarter;

✓ In line with the recommendations of international experts, the sampling design was changed allowing for annual panel estimations. As a result, the LFS is conducted in the same households in the corresponding quarters of the following year.

The use of the 2014 Population Census data as the sampling frame of the LFS led to comparability issues between the indicators for 2017 and the previous years. This resulted in recalculation of times series with the view to ensuring data comparability. The diagram below shows the unemployment rates before and after recalculation, while the analysis in the press release is based on recalculated data.

Unemployment rate, %

Legend: Recalculated ── Before the recalculation

Recalculated values: 2008: 17.9, 2009: 18.3, 2010: 17.4, 2011: 17.3, 2012: 17.2, 2013: 16.9, 2014: 14.6, 2015: 14.1, 2016: 14.0, 2017: 13.9

Before the recalculation values: 2008: 16.5, 2009: 16.9, 2010: 16.3, 2011: 15.1, 2012: 15.0, 2013: 14.6, 2014: 12.4, 2015: 12.0, 2016: 11.8
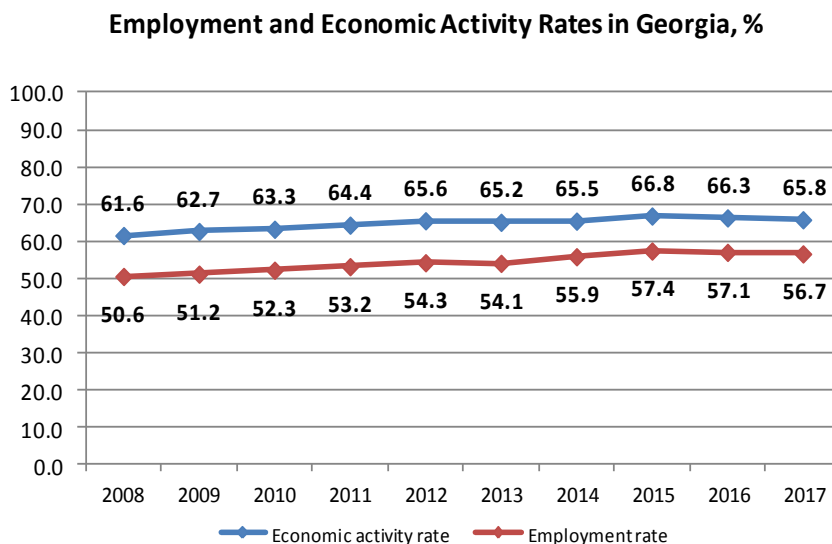
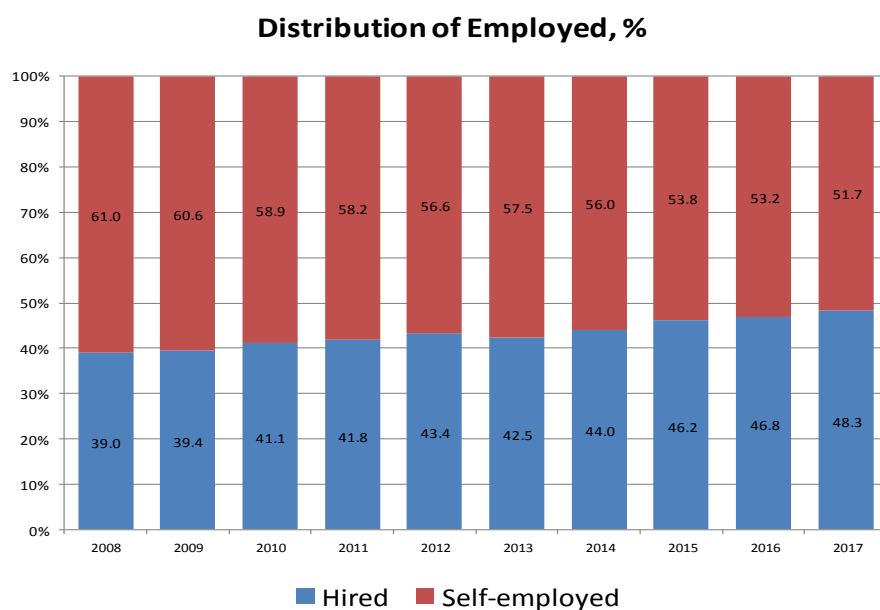## II. The main results of the Labour Force Survey, 2017

In 2017 the unemployment rate in Georgia decreased by 0.1 percentage points compared to 2016 and equaled 13.9 percent. It should be noted that the downtrend in the unemployment rate is maintained during the last eight years.

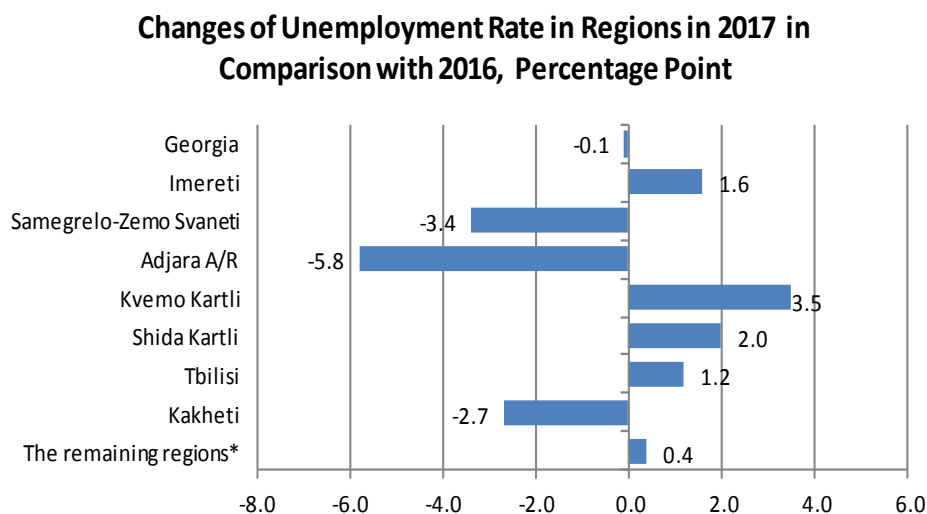**Unemployment Rate in Georgia, %**
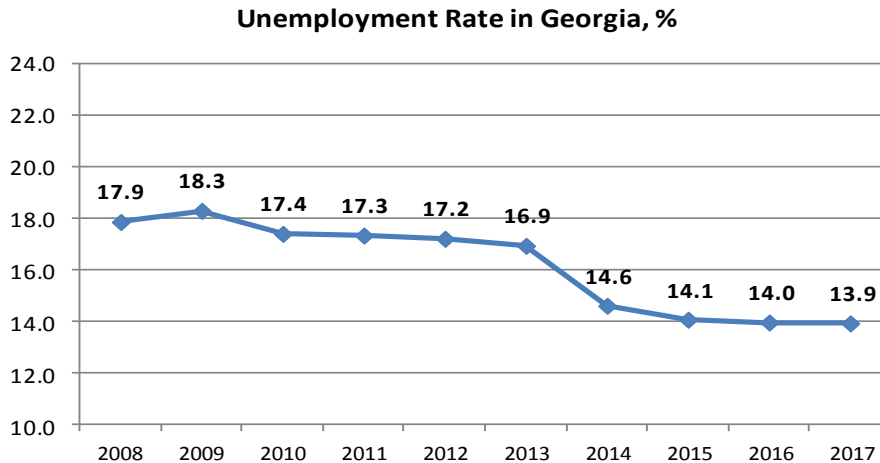
In 2017 the economically active population constituted 65.8 percent of the working population (population of 15 years and older). Compared to 2016 the economic activity rate and employment rate decreased by 0.5 and 0.4 percentage points, respectively. The employment rate in urban settlements decreased by 1.5 percentage point compared to the previous year, while increasing by 0.8 percentage points in rural areas. Similarly, compared to the previous year the economic activity rate in the urban settlements decreased by 1.6 percentage points and increased by 0.8 percentage points in rural areas.

Employment and Economic Activity Rates in Georgia, %

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Traditionally, self-employed persons account for the majority of the employed population. However, this share tended to decline during the past four years. In 2017 the share of self-employed equaled 51.7 percent, decreasing by 1.5 percentage points year-on-year.

Distribution of Employed, %

|	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Self-employed	61.0	60.6	58.9	58.2	56.6	57.5	56.0	53.8	53.2	51.7
Hired	39.0	39.4	41.1	41.8	43.4	42.5	44.0	46.2	46.8	48.3

■ Hired ■ Self-employed

Compared to the previous year the unemployment rate increased in Tbilisi (by 1.6 pps), Shida Kartli (2.0 pps), Kvemo Kartli (3.5 pps) and Imereti (1.2 pps) regions. The biggest drops in the unemployment occurred in Adjara and Samegrelo-Zemo Svaneti (by 5.8 and 3.4 pps, respectively).

Changes of Unemployment Rate in Regions in 2017 in Comparison with 2016, Percentage Point

| Region	Value
Georgia	-0.1
Imereti	1.6
Samegrelo-Zemo Svaneti	-3.4
Adjara A/R	-5.8
Kvemo Kartli	3.5
Shida Kartli	2.0
Tbilisi	1.2
Kakheti	-2.7
The remaining regions*	0.4

* Samtskhe-Javakheti, Guria, Mtskheta-Mtianeti

Traditionally, the unemployment rate is higher for men. In 2017 the gender-based difference in the unemployment rate stood at 2.3 percentage points. Compared to the previous year,
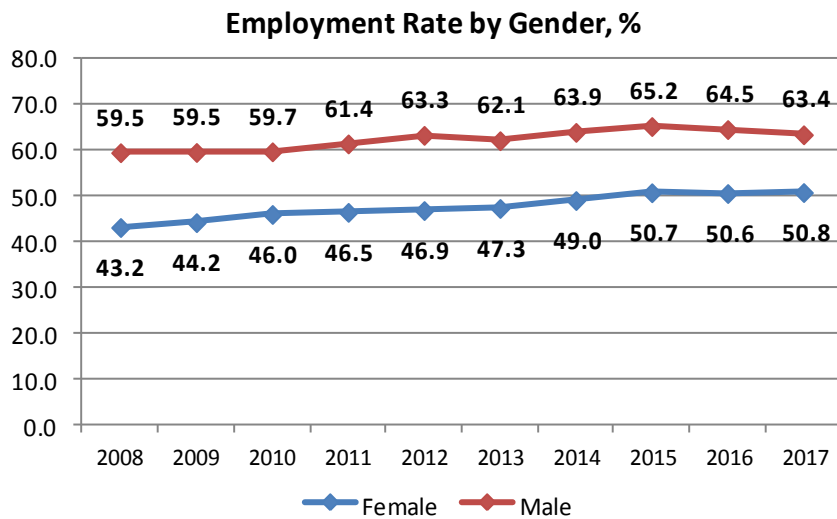
the unemployment increased by 1.8 percentage points for women and decreased by 1.6 percentage points for men.

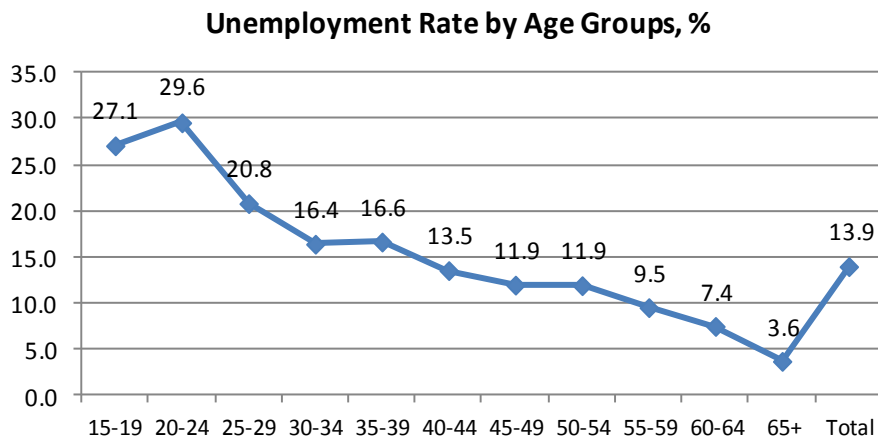**Unemployment Rate by Gender, %**
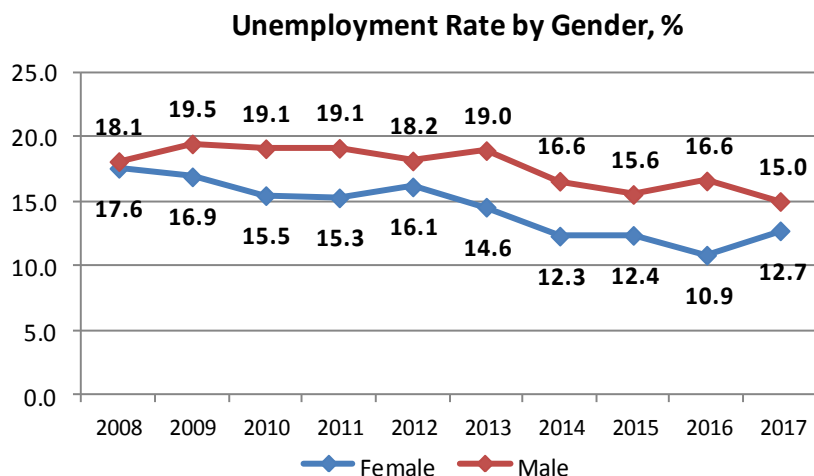
The activity rate is higher for men. In 2017 this indicator stood at 58.2 percent for women (1.5 percentage point increase year-on-year) and at 74.6 percent for men (2.8 percentage point decrease year-on-year).
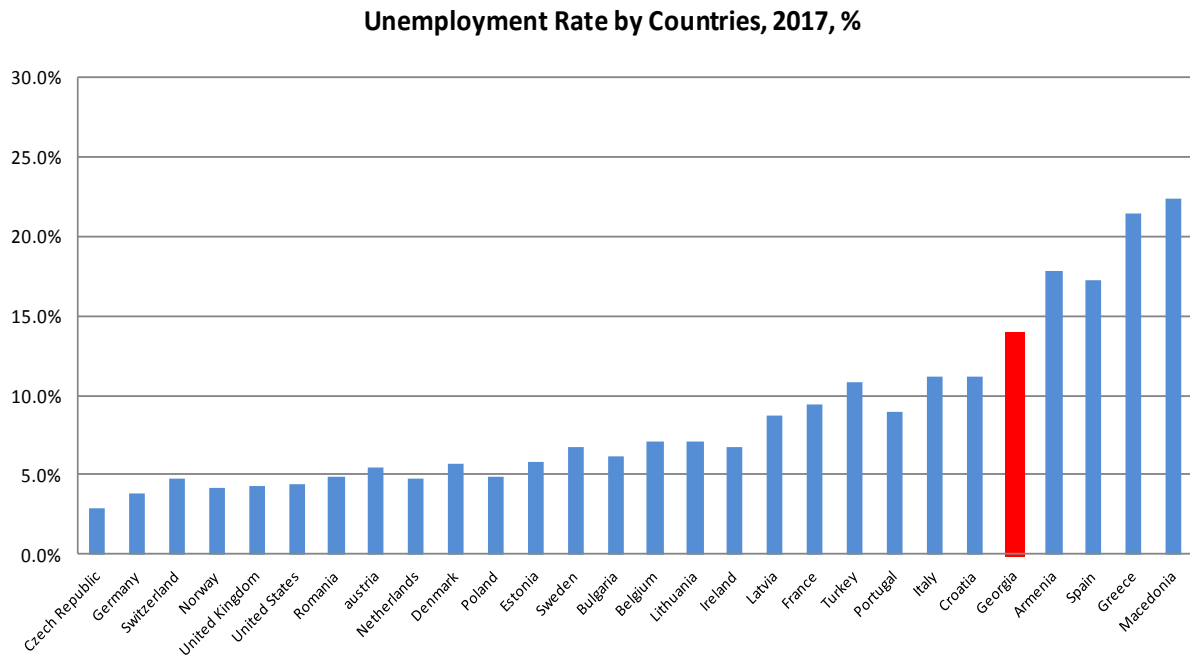
Economic Activity Rate by Gender, %
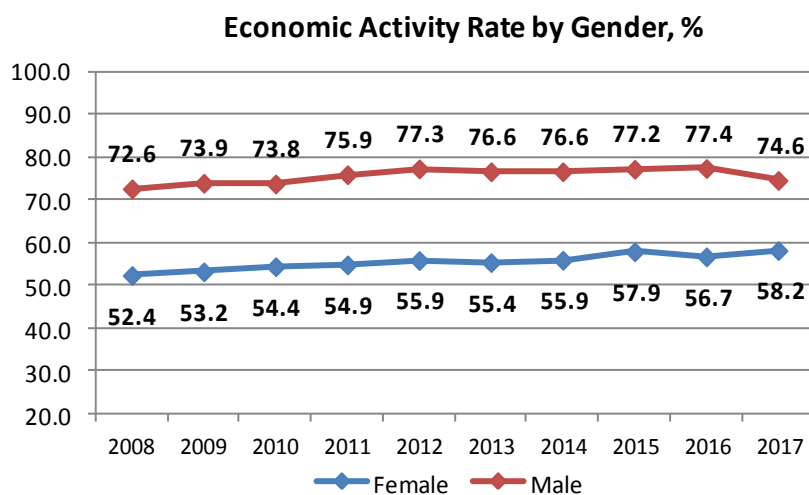
In 2017 the employment rate for women increased by 0.2 percentage points, while decreasing by 1.1 percentage points for men.

Employment Rate by Gender, %

Female: 2008: 43.2, 2009: 44.2, 2010: 46.0, 2011: 46.5, 2012: 46.9, 2013: 47.3, 2014: 49.0, 2015: 50.7, 2016: 50.6, 2017: 50.8

Male: 2008: 59.5, 2009: 59.5, 2010: 59.7, 2011: 61.4, 2012: 63.3, 2013: 62.1, 2014: 63.9, 2015: 65.2, 2016: 64.5, 2017: 63.4

In terms of age structure the highest rate of unemployment in 2017 still remained for the 20-24 age group (29.6 percent). However, the indicator decreased by 3.2 percentage points compared to 2016. The unemployment rate is traditionally the lowest for the 65+ age group, owing to a high inactivity rate in this age group.

Unemployment Rate by Age Groups, %

15-19: 27.1, 20-24: 29.6, 25-29: 20.8, 30-34: 16.4, 35-39: 16.6, 40-44: 13.5, 45-49: 11.9, 50-54: 11.9, 55-59: 9.5, 60-64: 7.4, 65+: 3.6, Total: 13.9

The unemployment rates the countries are given in the diagram below.

Unemployment Rate by Countries, 2017, %

Source: International Labour Organization.