



National Statistics Office of Georgia

# INDICATORS OF EMPLOYMENT AND UNEMPLOYMENT CALCULATED BASED ON NEW STANDARDS OF THE INTERNATIONAL LABOUR ORGANIZATION



International  
Labour  
Organization



28.12.2020

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**INDICATORS OF ECONOMIC ACTIVITY OF THE POPULATION  
(EMPLOYMENT AND UNEMPLOYMENT)****I. METHODOLOGICAL CHANGES IN THE SURVEY OF LABOUR FORCE STATISTICS**

The methodological basis for the current employment and unemployment statistics in Georgia was the guideline proposed by the International Labour Organization (ILO), adopted in 1982 at the 13th International Conference of Labour Statisticians. The new standard was proposed by the ILO in 2013 and officially entered into force in October 2018, at the 20th International Conference of Labour Statisticians.

Geostat has been actively working on the introduction of a new standard in Georgia since 2019, with the involvement of international organizations, local and foreign experts.

In 2019-2020, in the framework of a project initiated by the European Union and Eurostat and in close cooperation with the International Labour Organization and the Statistics Denmark, Geostat made fundamental changes in the methodology of labour force statistics and carried out a number of activities, namely:

- ▶ Changes were made to the Labour Force Survey questionnaires, which included the addition of relevant questions to assess the extent of self-employment in agriculture;
- ▶ Questionnaires and methodological manual corresponding to the new standards were developed;
- ▶ A new standard questionnaires was tested and pilot survey was conducted;
- ▶ During 2020, data was collected using both - old and new questionnaires;
- ▶ The collected data was analyzed and the indicators corresponding to the new standards were calculated.

The introduction of the new standard of the International Labour Organization involves the reclassification of the self-employed persons and the calculation of additional indicators of the labour force. In particular, according to the new standard, self-employed persons who are not market-oriented and produce agricultural products mainly (more than 50%) for their own consumption will no longer be considered as self-employed. Persons with this status were reclassified into other categories (unemployed, population outside the labour force) depending on whether they are looking for or ready to start a job.

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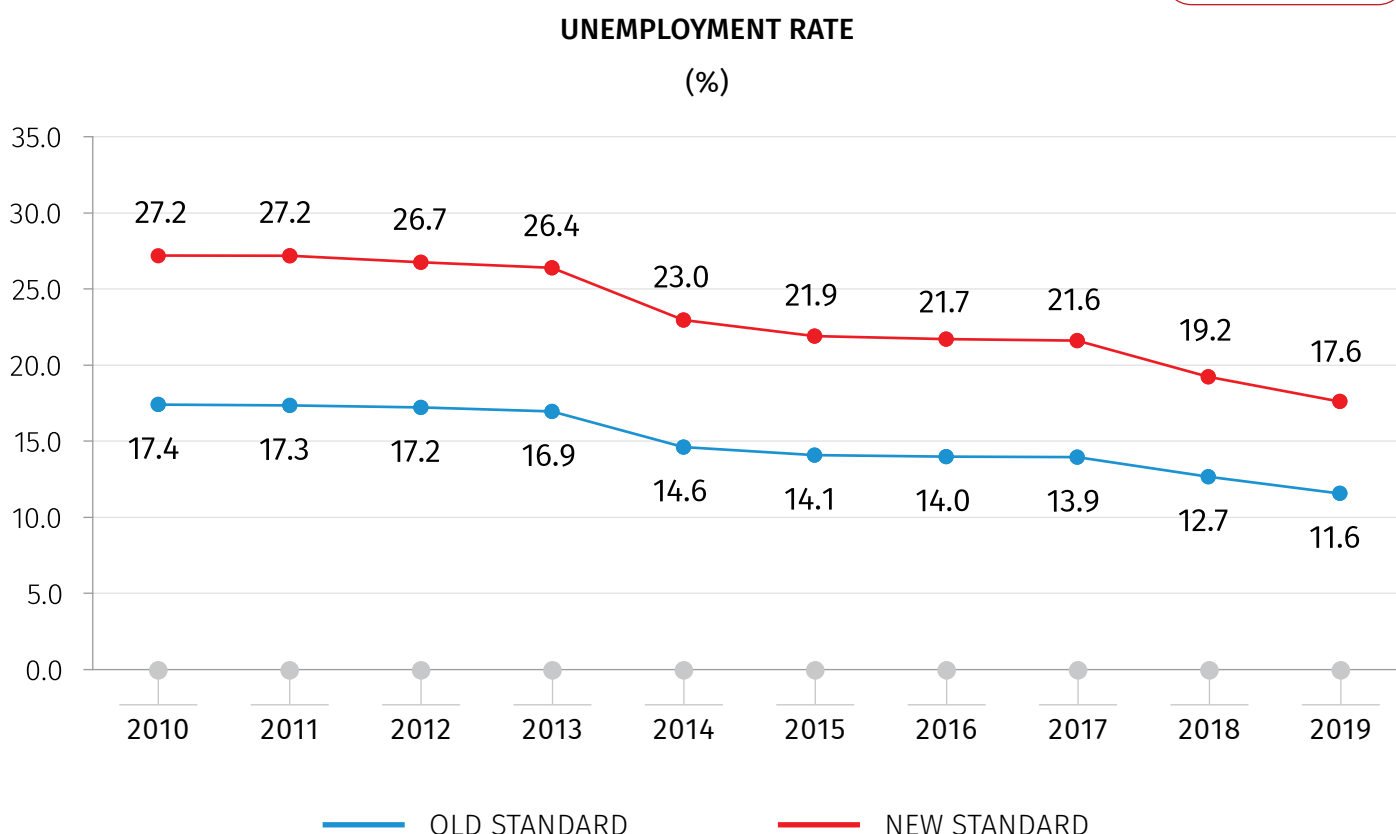
The introduction of the new standard raised the issue of recalculating historical series, which was necessary to ensure comparability with data from the previous period. Accordingly, with the involvement of experts from the International Labour Organization, the Statistics Denmark and Eurostat, previously published data have been recalculated and updated since 2010.

## II. CHANGES CAUSED BY THE NEW STANDARD AND THE MAIN RESULTS OF THE RECALCULATION

As a result of the recalculation of the data caused by the introduction of the new standard, the unemployment rate has increased and the employment rate has decreased compared to the previously published data.

The diagram below shows the unemployment rate for 2010-2019, calculated with the old and new standards (before and after recalculation).

CHART №1



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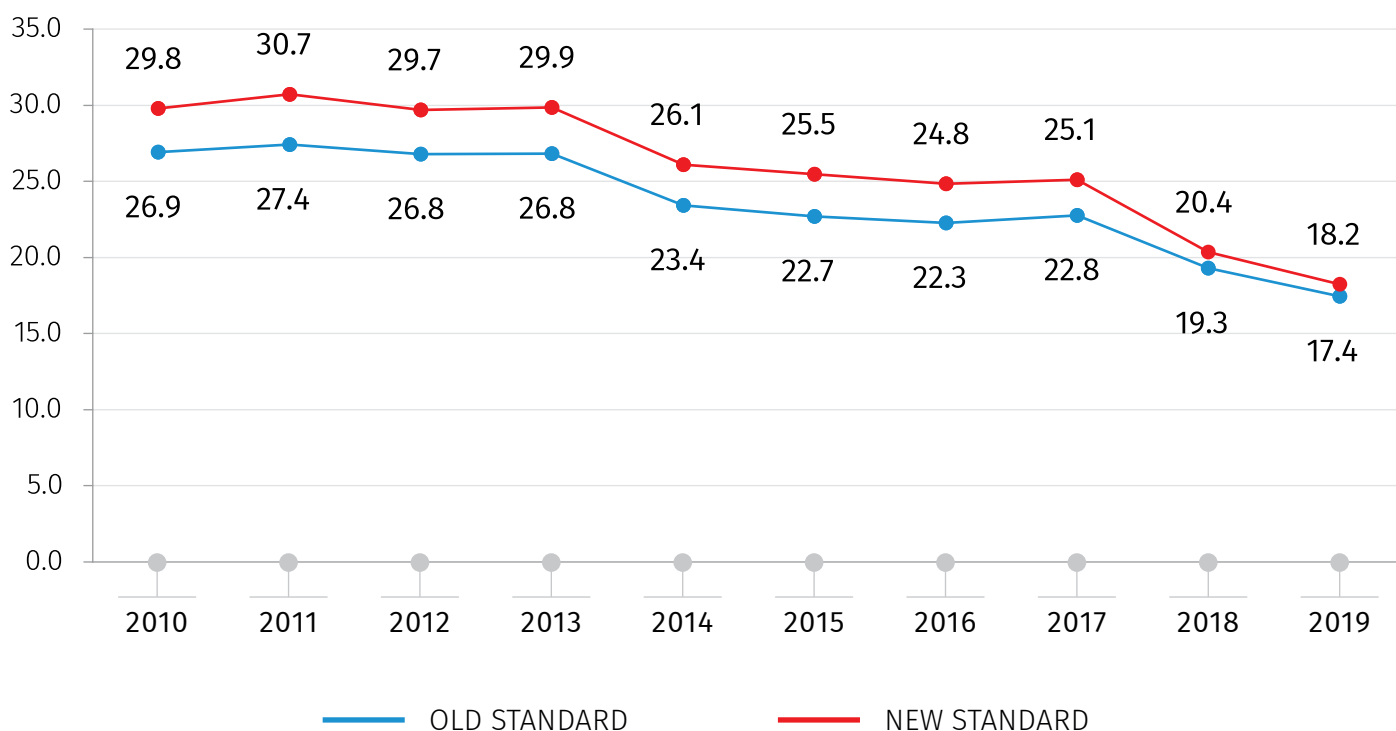
With the new standard, compared to the old standard, the unemployment rate is significantly higher in rural settlements (approximately 3 times), while the difference in urban settlements is relatively insignificant.

The diagrams below show the unemployment rate in urban and rural settlements in 2010-2019, calculated with the old and new standards.

CHART №2

### UNEMPLOYMENT RATE IN URBAN AREAS

(%)



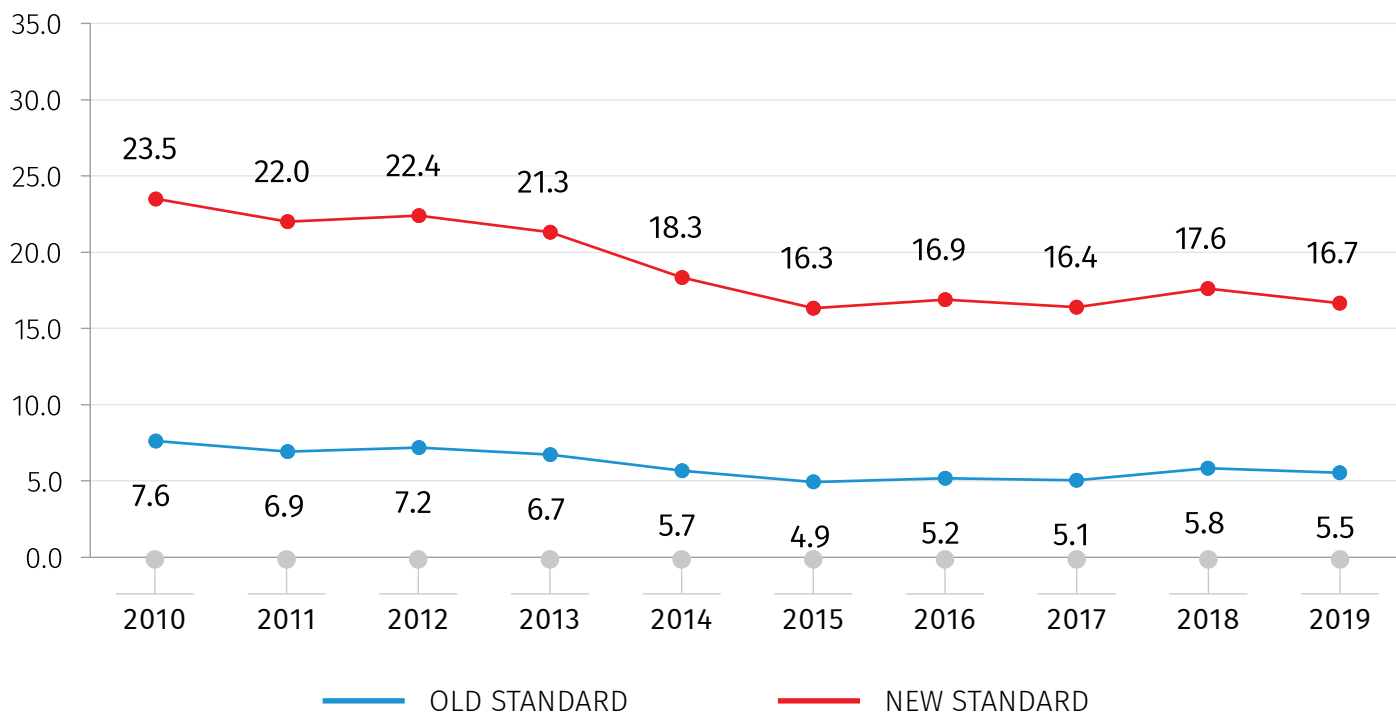
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CHART №3

### UNEMPLOYMENT RATE IN RURAL AREAS

(%)



The employment rate calculated with the new standard is 13-15 percentage points lower than with the old standard.

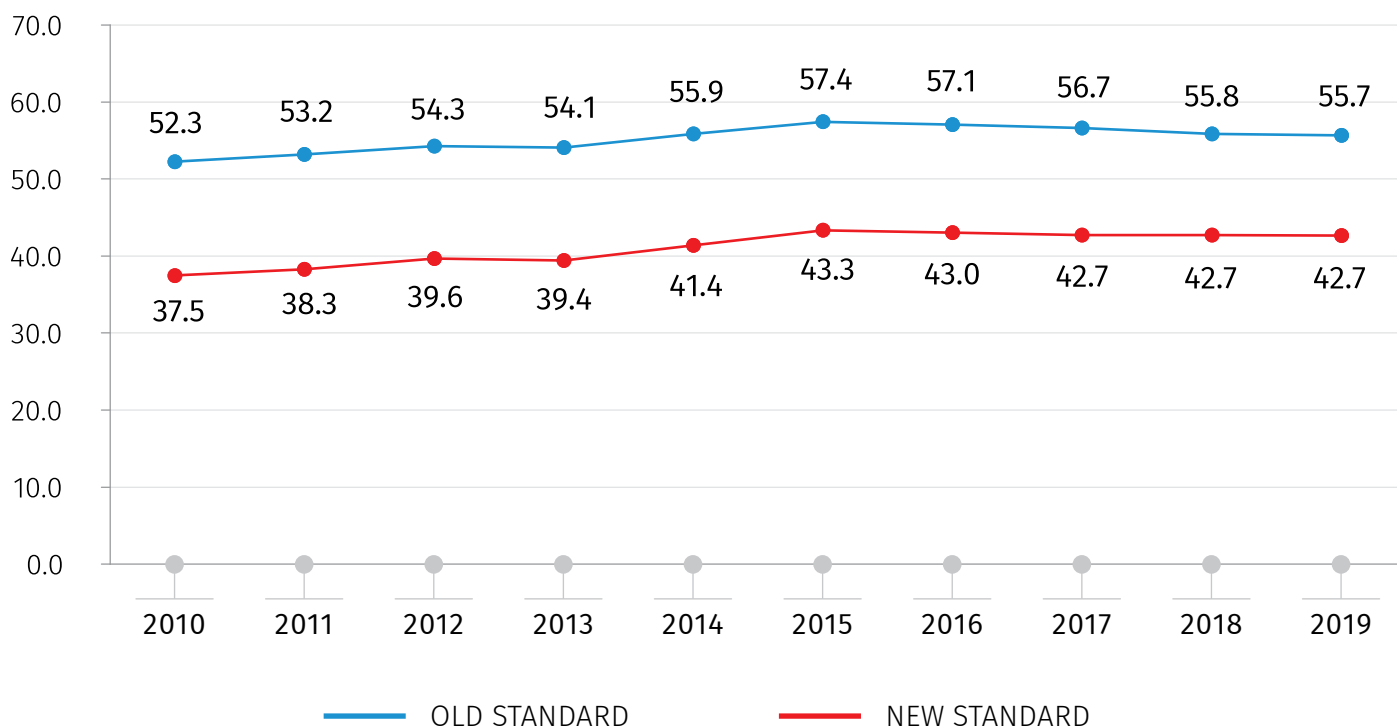
The Diagram below shows the employment rate for 2010-2019, calculated with old and new standards.

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CHART №4

## EMPLOYMENT RATE

(%)



The introduction of the new standard caused a significant decrease in the share of the self-employed in the total number of employed (decreased from 49.7% to 30.7% in 2019).

The diagram below shows the share of the self-employed persons in total employment in 2010-2019, calculated with the old and new standards.

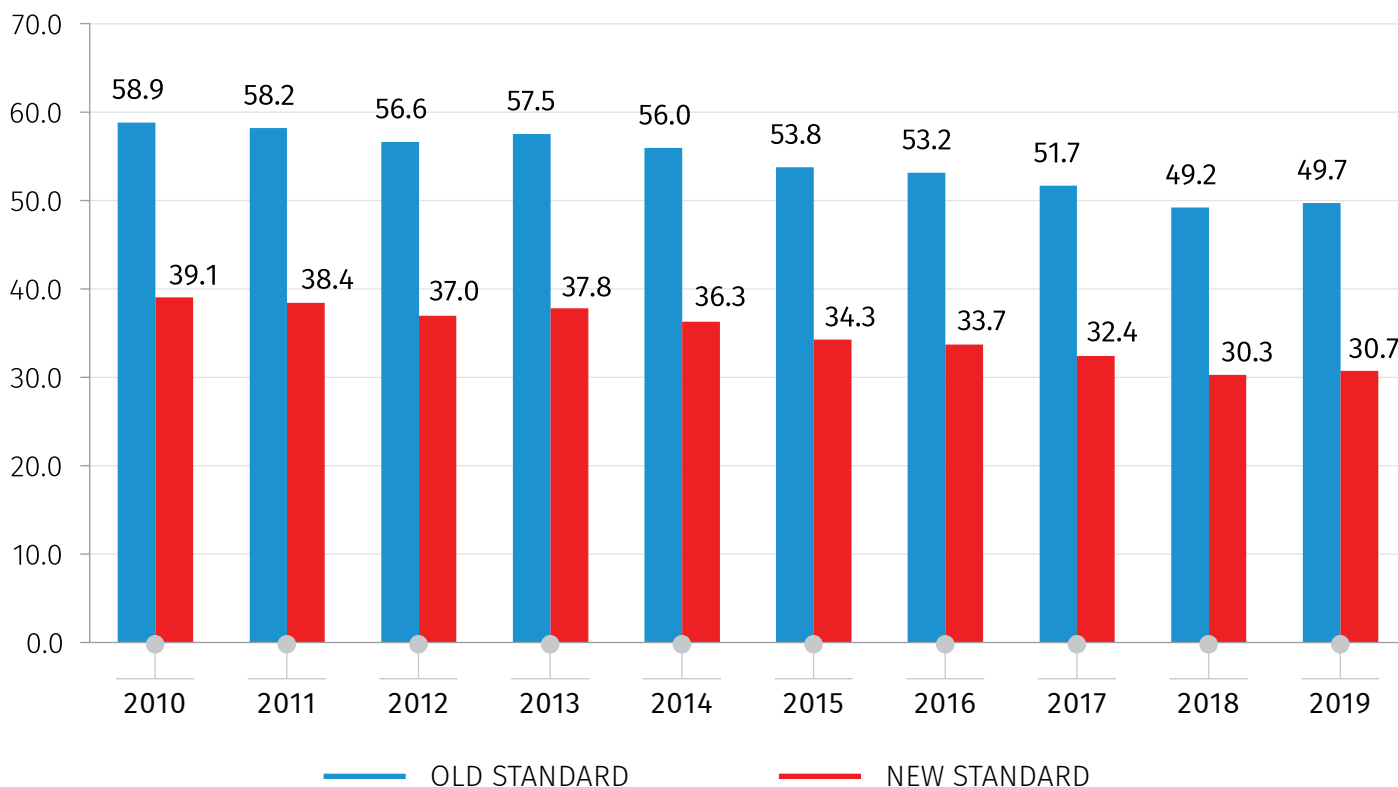
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CHART №5

### SHARE OF THE SELF-EMPLOYED

(%)



The introduction of the new standard also caused a decrease in the economic activity rate of the population, which is related to the reclassification of a significant part of the self-employed.

The diagram below shows the activity rate for 2010-2019, calculated with the old and new standards.

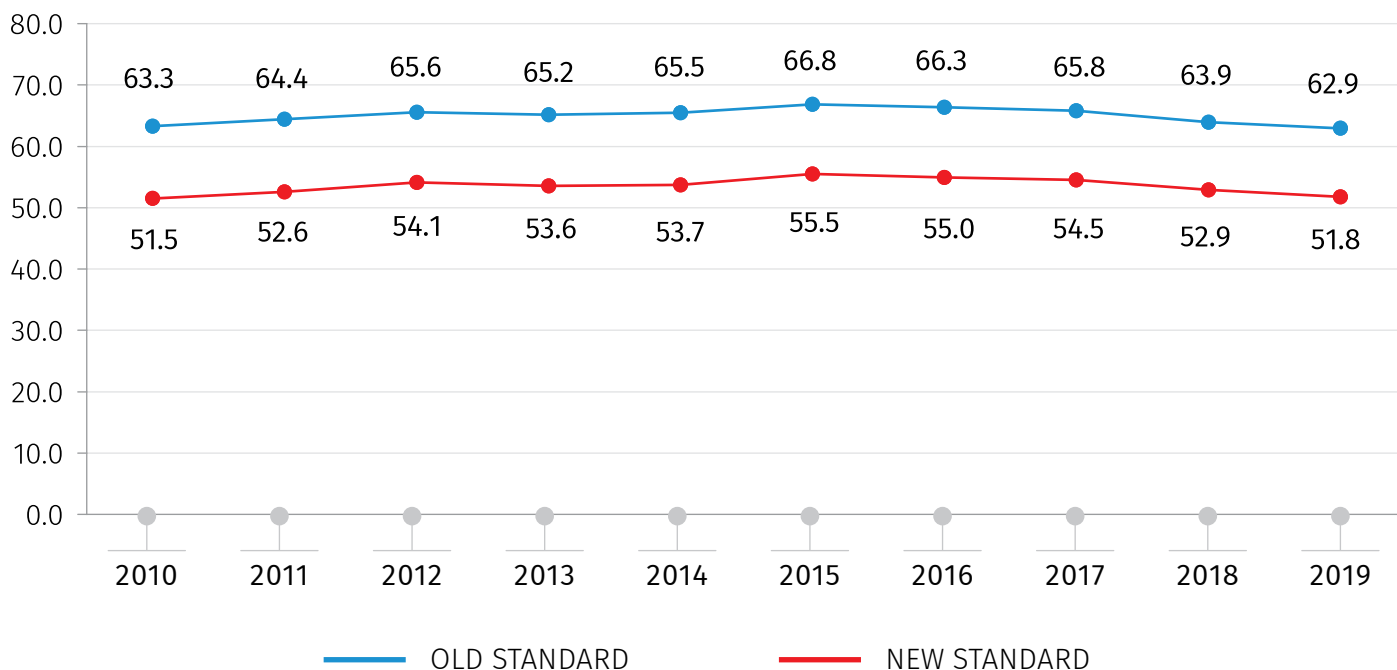
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CHART №6

## ECONOMIC ACTIVITY RATE

(%)

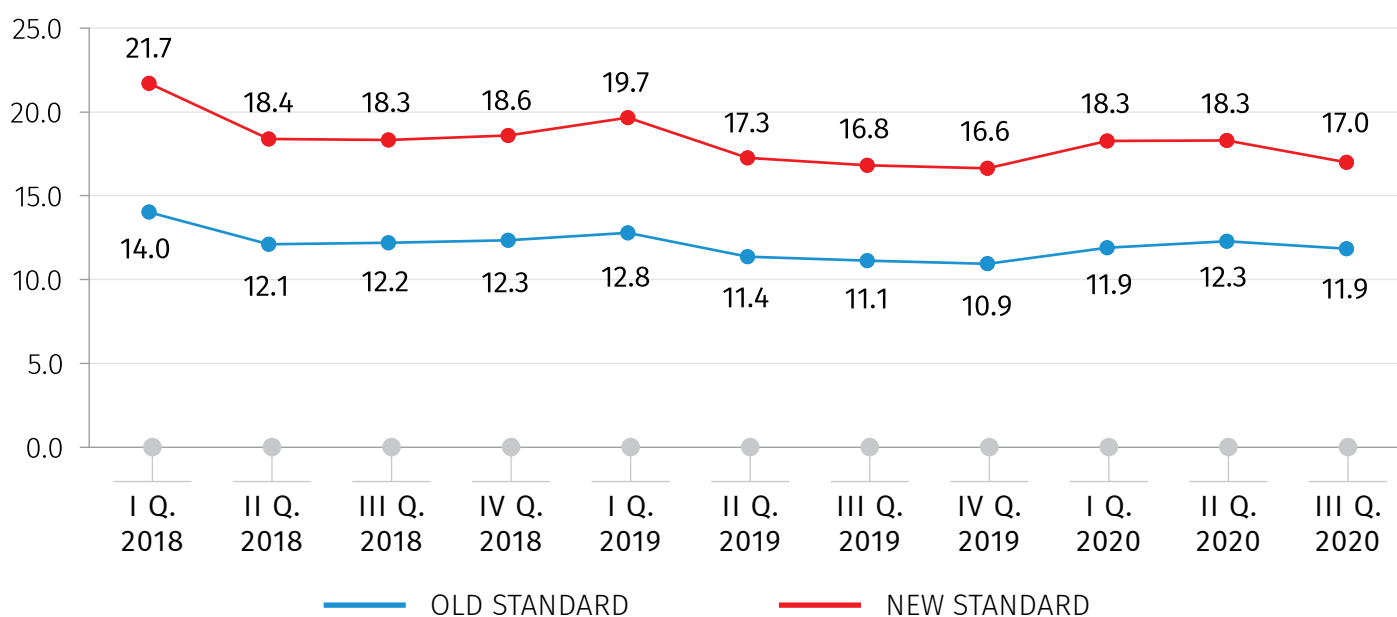


The diagram below shows the unemployment rate for the quarters of 2018-2020, calculated with the old and new standards.

CHART №7

## UNEMPLOYMENT RATE

(%)



## III. THE SURVEY RESULTS, III QUARTER, 2020 YEAR

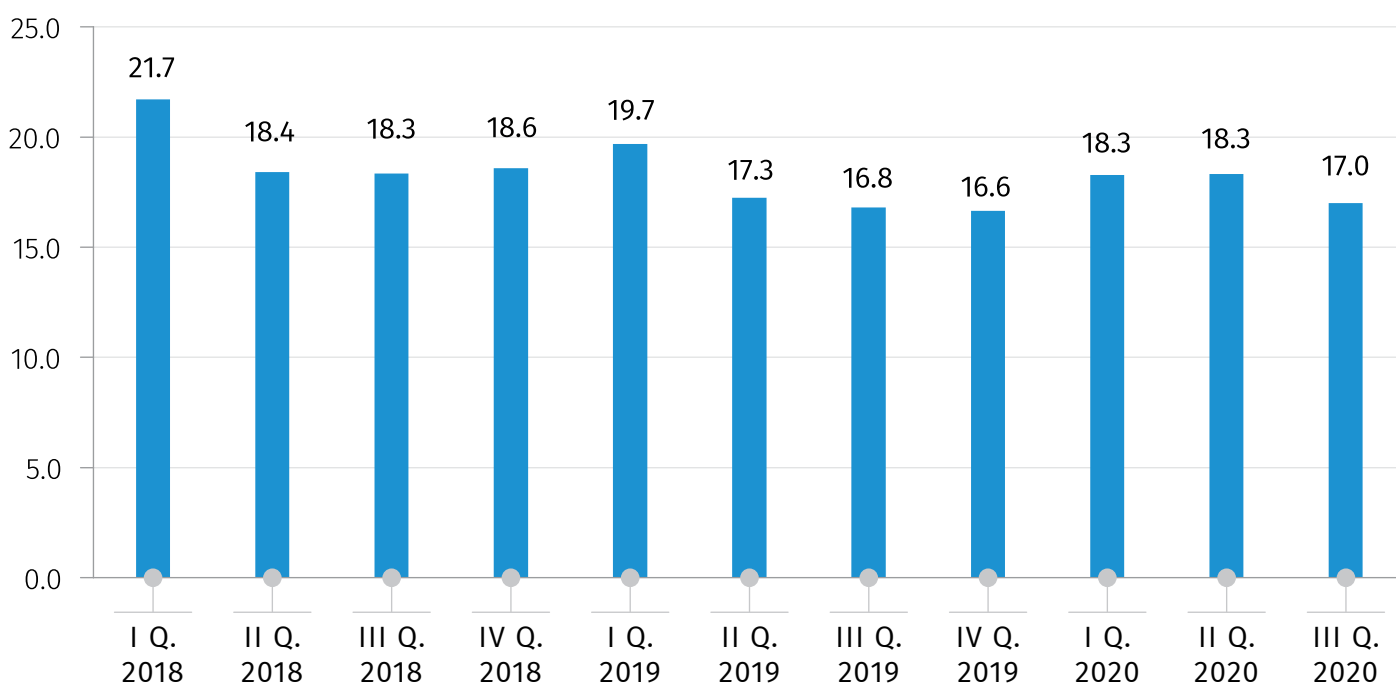
According to the new standards in the III quarter of 2020 the unemployment rate in Georgia increased by 0.2 percentage point compared to the corresponding period of the previous year and equaled 17.0 percent.

The chart below presents the unemployment rate by quarters of 2018-2020 years.

CHART №8

### UNEMPLOYMENT RATE IN GEORGIA

(%)



In the III quarter of 2020 economically active population (Labour force) constituted 50.3 percent of the working age population (population aged 15 and older). The economic activity rate (Labour force participation rate) compared to the corresponding period of the previous year, in urban settlements increased by 0.3 percentage point, while that decreased by 3.6 percentage in rural settlements. The employment rate on the country level decreased by 1.3 percentage point. In urban settlements, the employment rate decreased by 0.7 percentage point, while in rural settlements - by 2.1 percentage point.

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The chart below presents the economic activity and employment rates by quarters of 2018-2020 years.

CHART №9

### ECONOMIC ACTIVITY AND EMPLOYMENT RATES

(%)



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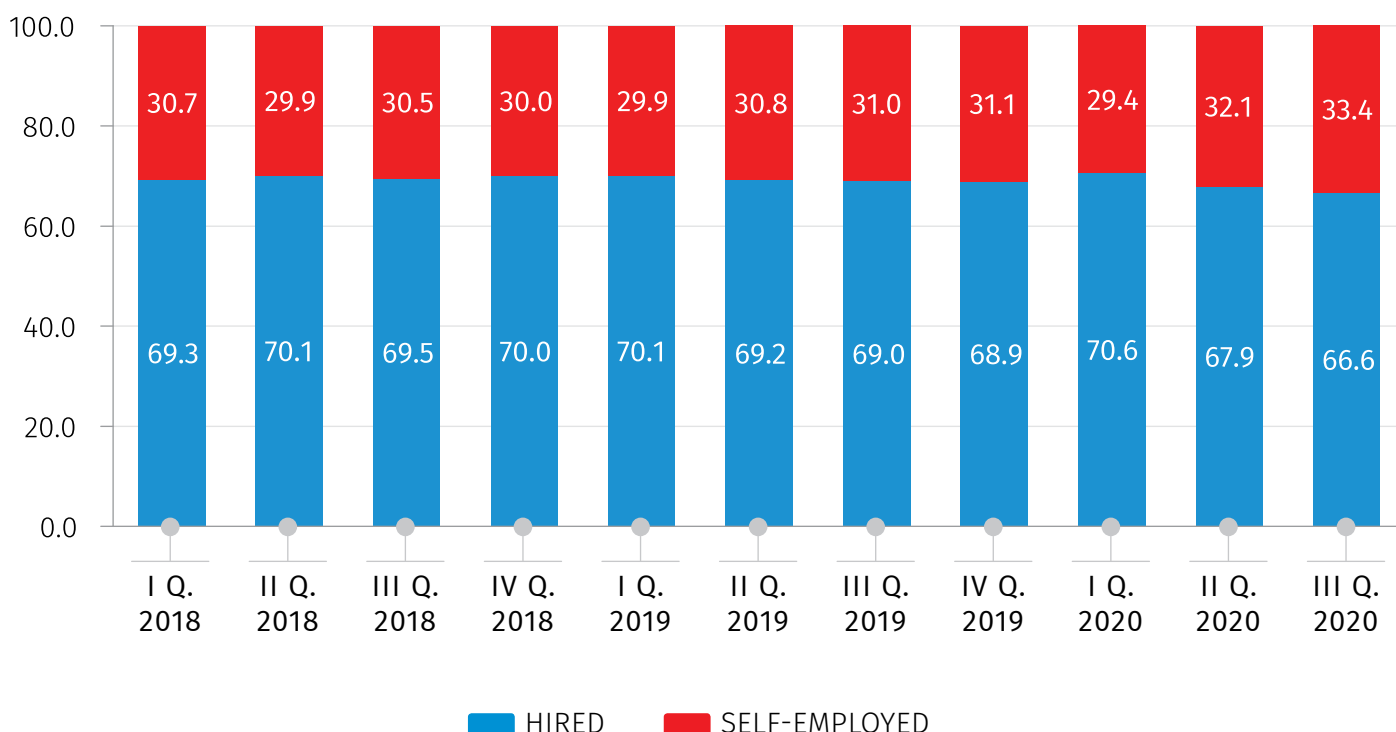
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In the III quarter of 2020 the share of hired employees was 66.6 percent among employed persons that decreased by 2.3 percentage point compared to the corresponding period of the previous year.

The chart below presents the distribution of employed by status in employment for 2018-2020 years.

CHART №10

**DISTRIBUTION OF EMPLOYED BY STATUS IN EMPLOYMENT**  
(%)



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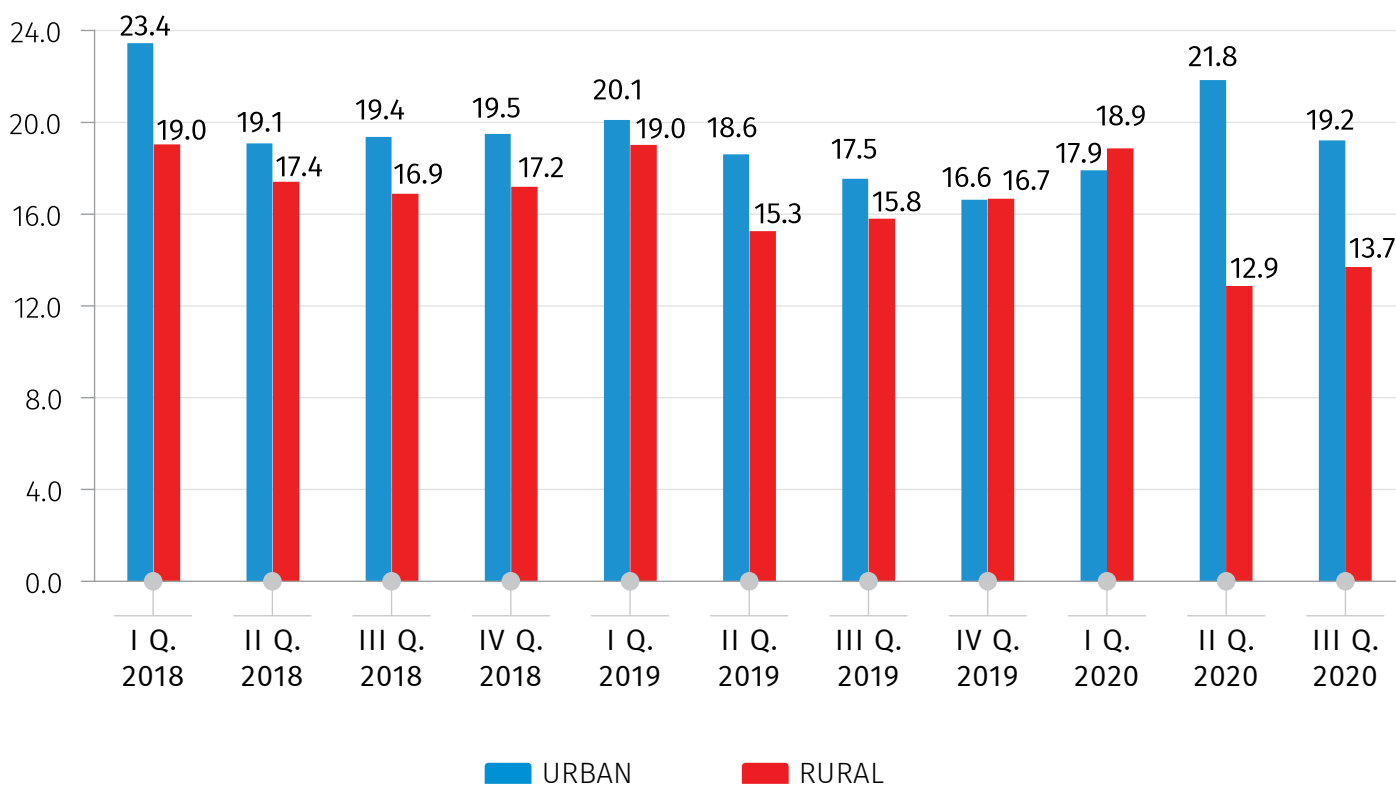
In the III quarter of 2020 the unemployment rate in urban settlements increased by 1.7 percentage point compared to the corresponding period of the previous year, while in rural settlements that reduced by 2.1 percentage point.

The chart below presents the unemployment rate by urban-rural areas and quarters of 2018-2020 years.

CHART №11

### UNEMPLOYMENT RATE BY URBAN-RURAL AREAS

(%)



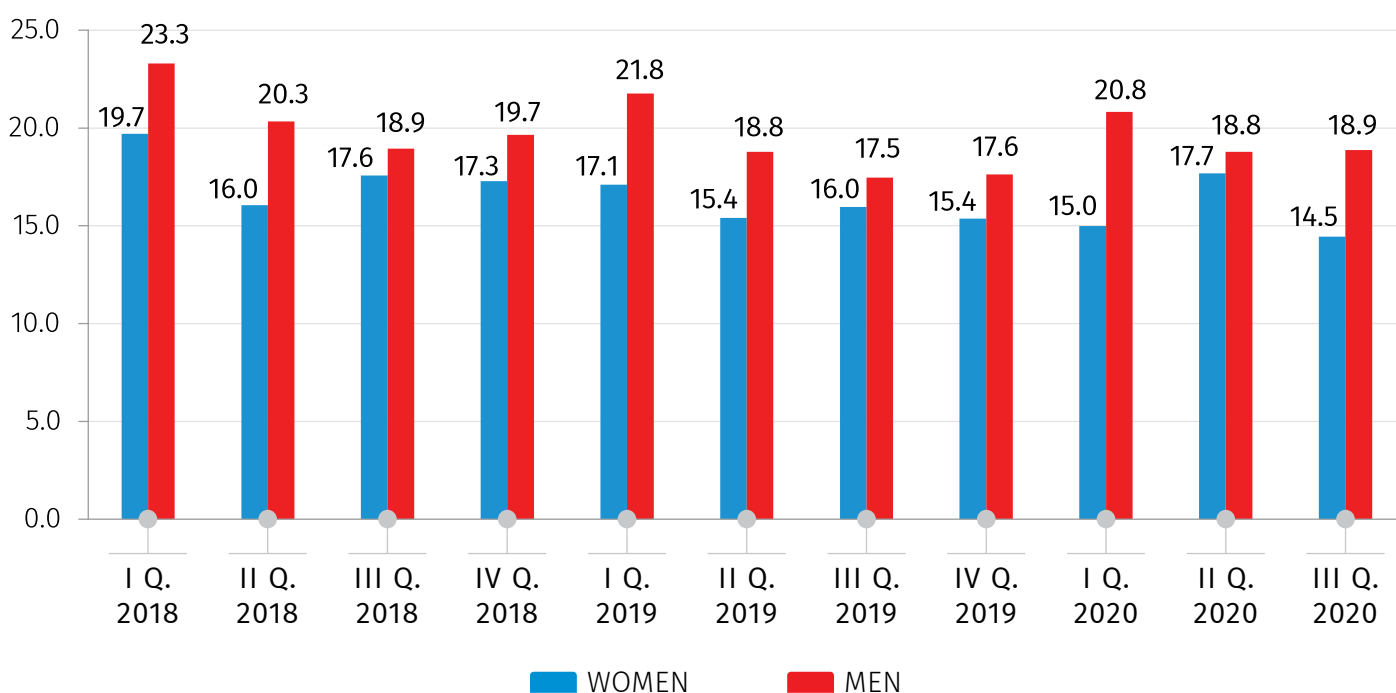
Traditionally, the unemployment rate is higher for men than for women. In the III quarter of 2020, compared to the corresponding period of the previous year this indicator was decreased for women by 1.5 percentage point, while it increased by 1.4 percentage points for men.

The chart below presents the unemployment rate by sex and quarters of 2018-2020 years.

CHART №12

## UNEMPLOYMENT RATE BY SEX

(%)



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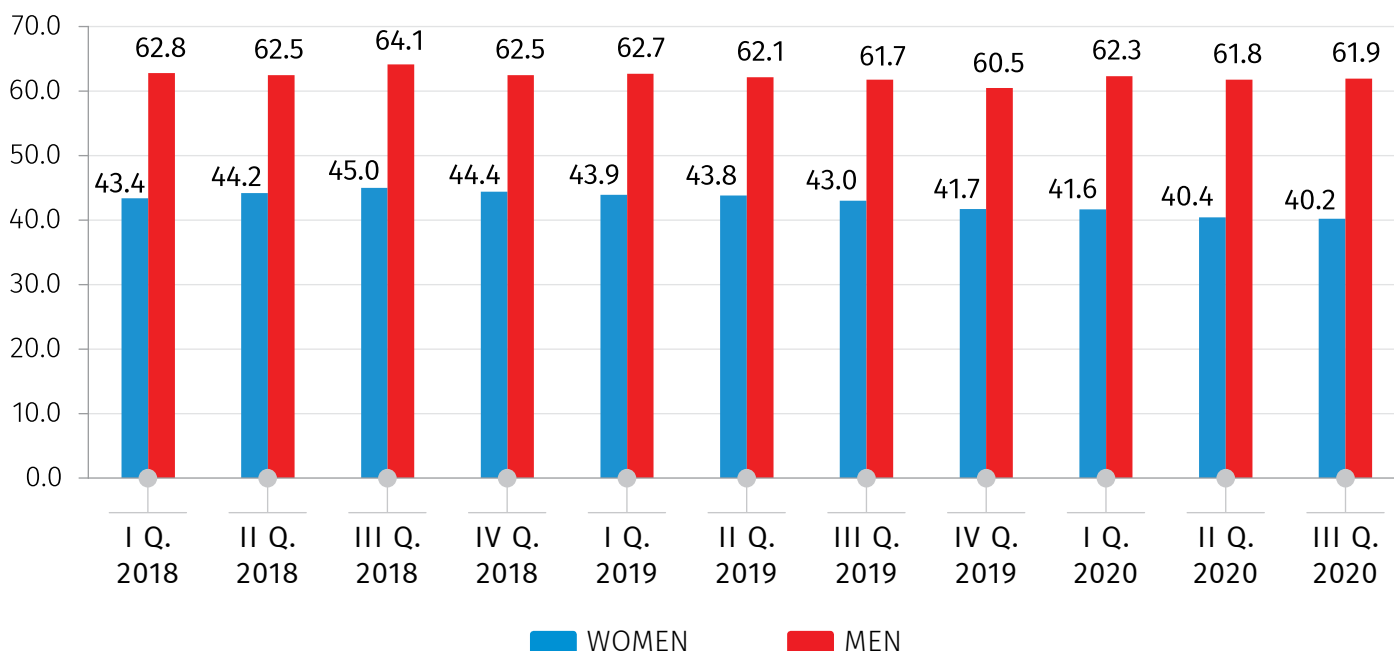
The activity rate (Labour force participation rate) is higher for men than for women. In the III quarter of 2020 activity rate for women was 40.2 percent and for men – 61.9 percent. The activity rate for women decreased by 2.8, while that increased by 0.2 percentage point for men, compared to the corresponding period of the previous year.

The chart below presents the economic activity rate (Labor force participation rate) by sex and quarters of 2018-2020 years.

CHART №13

### ECONOMIC ACTIVITY RATE BY SEX

(%)



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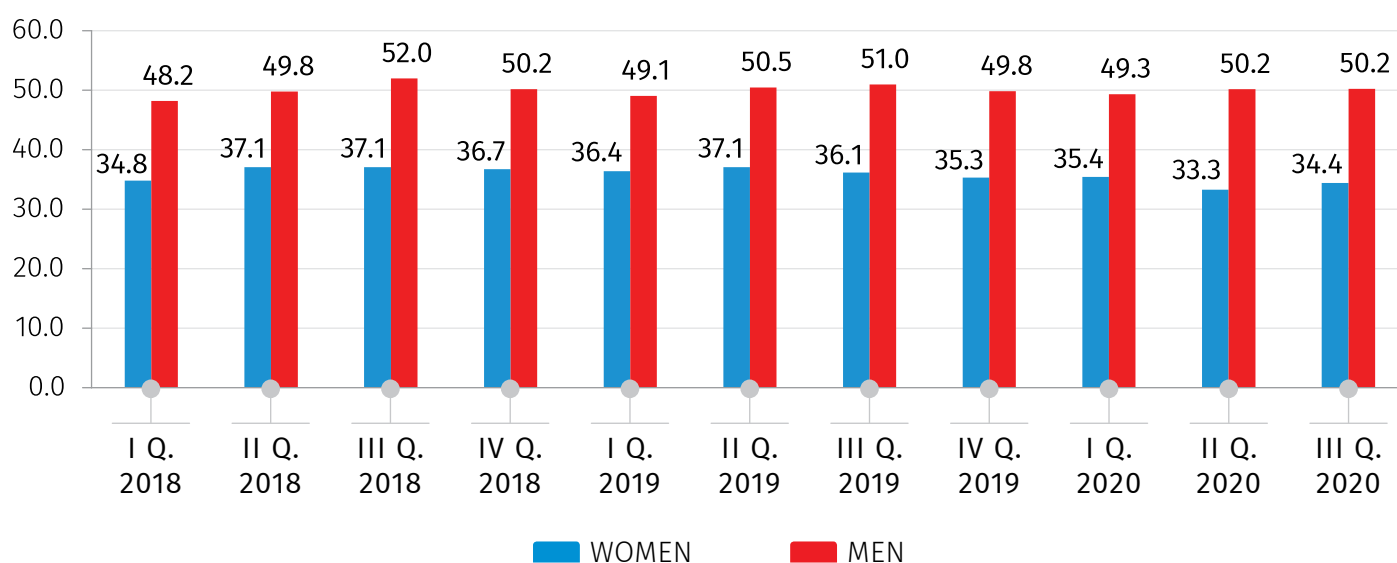
In the III Quarter of 2020 the employment rate for women as well as for men decreased by 1.7 and 0.7 percentage points, respectively compared to the corresponding period of the previous year.

The chart below illustrates the employment rate by sex and quarters of 2018-2020 years.

CHART №14

### EMPLOYMENT RATE BY SEX

(%)



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