

LABOUR FORCE STATISTICS

National Statistics Office of Georgia produces labour force statistics from the quarterly survey of households. The source of labour force indicators in 1998-2016 is an Integrated Household Survey (IHS). In 2017, the Labour Force Module was separated from the Integrated Household Survey and independent Labour Force Survey (LFS) was established. In 1998-2016, the sample size of the Integrated Household Survey was about 3,400 households in the quarter and since 2017, the Labour Force Survey sample size has increased up to about 6,000 households in the quarter.

Under the Labour Force Survey, household members aged 15 and above are interviewed except for those members who at the moment of an interview:

1. Lived outside the household for more than 12 months;
2. Lived at a military base;
3. Stayed in prisons, psychiatric clinics, retirement homes and other types of specialized institutions.

According to the country specifics and recommendations provided by the UN's International Labour Organization (ILO), the upper age limit is not defined, as the rate of economic activity for the Georgian population in the post - retirement age is high.

The following criteria and explanations used by the Geostat are based on the ILO methodology.

Economically Active – is a person at the age of 15 or above who works or offers his/her labour for production of the services or products, that fall within the frame of domestic product as determined in the national accounts system of United Nations (UN).

Employed (hired or self-employed) – is a person at the age of 15 or above who worked 7 days prior to the interview process (for at least one hour) to generate income (salary, profit or other compensation in kind), or helped other household members for free, or was formally considered employed but for some reason did not attend the work.

Hired – is a person at the age of 15 or above who performed certain type of work during the accounting period in order to generate income or other compensation in cash or in kind. Also, a person who has a job but is temporarily released from the job due to leave, sickness, temporary suspension of working process of the employer, temporary suspension of labour activities of the employee or other similar reasons.

Self-employed – an owner of personal enterprise during the accounting period, in order to generate profit or family income (cash or in kind) or a person working for free in family enterprise/holding.

Unemployed – a person at the age of 15 or above, who was not employed (even for one hour) 7 days prior to the interview process, was looking for a job for the last 4 weeks time and was ready to start working within the next 2 weeks time.

Economically Inactive – is a person at the age of 15 or above, who was not employed (for at least one hour) 7 days prior to the interview process and did not look for a job within previous 4 weeks. Also, a person who was looking for a job within previous 4 weeks, but was not prepared to start the work within the next 2 weeks time.

Unemployment Rate – is the ratio of unemployed population to the number of the economically active population, expressed as a percentage.

A person is considered to be employed not only when he/she is hired in a private or government sector and generates income as a salary, but also when he/she performs jobs with the view to gain profit, income (in cash or in kind) or other kinds of benefits.

Self-employed is a person who works at his/her own enterprise or household and has his/her own income. According to the ILO methodology, it is not necessary to have a long-term contract or to be hired by someone in order to be considered employed. Although a certain part of self-employed people faces a difficult social situation and may seek for some extra job, according to the abovementioned methodology, a person is considered to be employed if he/she generates income through self -employment.

An absolute majority of self-employed people work in rural areas, at their private (rural) farms. For example, a self-employed may cultivate land or/and breed cattle for the purposes of own consumption or for sale.

Let us consider an example: Consider a person working for an enterprise on a formal contract. Due to the fact that the person may not be fully employed, or the factory may have financial difficulties, the person's monthly salary may be 50 or 100 lari. Although the salary is low, the person is still considered to be employed. Meanwhile, another person living in a village and not having any contract with a legal entity, thus not being considered to be hired, may breed cattle, sell milk, cheese, etc. and generate 200 lari per month. Such a person is considered to be employed, similar to the hired person. Thus, according to the ILO methodology, a person is considered employed if he/she is involved in any type of economic activity in order to gain profit, generate income (in cash or in kind) despite the type and duration of activity and amount of income.

To summarize, if individuals working in agriculture or being tutors, private taxi owners, retail traders, etc. worked for at least one hour during the last 7 days prior to the interview with the purpose of generating income (salary, in-kind income, profit, etc.) are considered to be employed according to the ILO and Geostat methodology.