



# UNEMPLOYMENT AND MIGRATION IN GEORGIA AT THE MODERN STAGE

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## Abstract

The article "Unemployment and Migration in Georgia at the Modern Stage" outlines the importance of migration, its problems and causes. Both the pros and cons of migration are analyzed. The article provides statistics on internal and international migration. There is also a list that affects the country from which he/she travels and the country from where he/she leaves. The article also mentions the main driving force of migration, which is remuneration. A comparative analysis has been made between the increase in the average salary level of the EU and other countries in the world and the increase in the level of salaries in Georgia, from which the situation is clearly deplorable in terms of remuneration. The article also mentions one of the reasons for migration, which is the desire to get an education. Statistical analysis in this regard gives a natural idea that the highest rate is 25-29 years, as well as 20-24 years. The paper also discusses the benefits that migration brings, namely remittances. The article also talks about unemployment and its causes. However, it is said that the pandemic caused the greatest damage to the population of the country and therefore even more people became eager to go abroad for work. The article provides a statistical analysis of migration and unemployment and outlines ways to solve unemployment problems.

**Keywords:** *migration, unemployment, internal migration, international migration*

## 1 URGENCY OF MIGRATION

Recently, the rate of migration around the world has increased significantly. Over the years, borders between countries become more and more invisible. People are given the opportunity to study and work in different countries of the world. The employment market has become global, and people no longer have to make choices based solely on the labor market conditions in their

homeland. Employers even must compete with the rest of the world to get the best staff and reach a higher level of productivity. However, one issue is the benefits for employers and employees, and the other is how beneficial migration is for the country's development. (Gakheladze, 2014)

Migration is one of the most important, global problems, because it is not only a demographic, but also a serious social, economic, and political problem and creates many difficulties in a number of countries around the world, including Georgia. The main reason for modern migration is socio-

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economic problems. This applies equally to both internal and external migration. (Mtiulishvili, 2021)

## 2 TYPES OF MIGRATION AND ITS CAUSES AND PROBLEMS

Internal migration is the most common type of migration - "village-city". In developing countries, including Georgia, internal migration has reached great proportions. This kind of migration poses a threat of famine and that is why tens of millions of people try to get to the city every year. It is this poorer mass that fills the city with the ranks of the unemployed and criminals, which exacerbates the problems of the city.

Most of the IDPs from the Tskhinvali region live in Mtskheta-Mtianeti and Shida Kartli, while most of the IDPs from Abkhazia live in Tbilisi and the Samegrelo-Zemo Svaneti region; The most ecomigrants in the last four years were registered in 2017. However, the number of resettled ecomigrants each year is significantly lower than the number registered in the same year. Most ecomigrants are registered in Adjara, Guria, Imereti and Samegrelo-Svaneti, and most eco-migrants settled in Adjara, Kvemo Kartli, Kakheti and Guria.

The population of rural settlements in Georgia is decreasing every year, which generally affects the urban / rural structure. In the last four years, the share of the city population in the total population has increased from 57.7% to 58.7%. Unlike other regions of Georgia, the population of Tbilisi and Adjara Autonomous Republic is growing. (n.d., 2019)

In 2016, the Friedrich-Ebert-Stiftung conducted a youth survey to explore mobility issues within the country. "Most young people from small towns and

villages move to bigger cities for education, more often to the capital. Although there is no official data, the number of those who then return to their small town or village is much lower. Along with education, labor migration is also an important factor that attracts more and more able-bodied people to Tbilisi.

About 1/3 of young people (31%) expressed a desire to move to another place in Georgia. Given that one of the main factors of internal mobility is the possibility of education, mainly the desire to change the place of residence was expressed by young people aged 14-18 living in the regions and especially in rural areas.

In general, young people most often named a better standard of living as the reason for changing their place of residence. The study revealed the reasons for internal migration:

1. Improvement of living conditions - 45%.
2. Better education - 16%.
3. Better employment opportunities - 14%.
4. Independent living - 9%.
5. More cultural diversity - 7%.
6. Being close to my loved ones - 3%.
7. Other - 5%.
8. I do not know - 1%. (FES, 2016)

As for international migration, it refers to the crossing of state borders by citizens, which includes emigration and immigration. International migration is a characteristic event of the globalization era. The number of people involved in this process is steadily increasing due to economic, demographic, social, political reasons, war, and other factors. International migration statistics in Georgia are as follows.

Table 1. Migration

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Migratory balance, persons	-21,521	-2,606	-6,543	-3,408	-8,060	-2,212	-10,783	-8,243	15,732
Net migration rate per 1,000 persons	-5.8	-0.7	-1.8	-0.9	-2.2	-0.6	-2.9	-2.2	4.2

Source: (NSOofGE, Migration, 2021)

Migration causes several problems not only in the receiving but also in the issuing countries, in particular the impact of migration on the country from which a person leaves is as follows:

1. Sex-age structure is violated.
2. Birth rate is decreased.
3. There is an outflow of able-bodied population.

4. The share of the elderly population in the total number is increasing.
5. There is a lack of qualified staff.
6. Disintegration of the family, etc.

Migration also poses a problem for the country to which it goes, namely:

- In many cases, they cannot find a job and engage in criminal activities to earn a living.
- Tensions between locals and migrants (racism, other ethnic tensions).
- Language barriers.

Sisztó Fedorovich, a professor at the Polish Institute of Oriental Studies, said that "refugees will be a major problem in the EU in 2016." This is true, and it is still a problem for some countries today.

Migratory movements can have different consequences, not only in the country where it ends, but also in the country of origin. As a result of migration, the population of the country is decreasing. This means reducing unemployment. But it should be noted that it would be better to reduce unemployment at the expense of job creation.

However, there is a negative result. If the country of origin is poor, the departure of economically active people is an additional obstacle, which is reflected in the shortage of specialists. (Gakheladze, 2014)

One of the driving forces of migration is the desire for higher pay. Remuneration is a price that is paid in human skills, and which is different in various countries. The average annual salary in Georgia is as follows (see Table 2).

Table 2 Wages

	2014	2015	2016	2017	2018	2019	2020	2021-I	2021-II
Average monthly nominal earnings, GEL	818.0	900.4	940.0	999.1	1068.3	1129.5	1227.3	1256.2	1328.0

Source: (NSOofGE, Wages, 2021)

As for the EU countries, the Statistical Office of the European Union, Eurostat, published the data on the minimum wages in the member countries of the bloc in 2017, according to which, as of January 1, 2017, the average wage in the eastern countries of the EU was 500 euros. The minimum monthly wage is 235 euros in Bulgaria, 257 euros in Romania, 380 euros in Latvia and Lithuania, 407 euros in the Czech Republic, 412 euros in Hungary, 433 euros in Croatia, 435 euros in Slovakia, 453 euros in Poland and 470 euros in Estonia.

The minimum wage in the 5 southern countries of the EU ranges from 500 to 1,000 euros per month: Portugal - € 650, Greece - € 684, Malta - € 736, Slovenia - € 805 euros, Spain - € 826.

The minimum wage was the highest in the Nordic countries, at around € 1,000 per month, UK - € 1397, France - € 1480, Germany - € 1498, Belgium - € 1532, Netherlands - € 1552, Luxembourg - € 1999, Ireland - € 1563 euro.

It should be noted that the highest minimum monthly wage in the EU is 9 times higher than the lowest, and if we exclude the price difference between various countries, the ratio is 1:3.

Compared to 2008, the minimum wage increased the most in Bulgaria - by 109%, in Romania - by 99%, in Slovakia - by 80%, in Estonia - by 69%, in Lithuania - by 64%. The only country where the minimum wage has fallen (-14%) during this time is Greece.

And in 2018-19 the nominal wages in America were 4,058 and 4,073 dollars, in Brazil 2,213 and 2,304 Brazilian reals, in Argentina 17,638 and 24,177 Argentine pesos, in Canada 4,338 and 4,456 Canadian dollars, in China 6872 and 7542 yuan, in Korea 3696314 and 3818727 North Korean won, Japanese 336,700 and 338,000 yen, respectively, while the nominal wage rates in Europe and Central Asia are as follows (See Table 3).

Table 3. Nominal salaries of foreign countries in 2018-2019

Country	Currency	2018	2019
Armenia	Drama	172727	182673
Azerbaijan	Azerbaijani ruble	545	635
Belarus	Belarusian ruble	971	1091
Georgia	GEL	1068	1129
Russia	Russian rubles	43724	47867
Austria	euro	4570	4690
Cyprus	euro	1938	1979
Estonia	euro	1310	1407
France	euro	2677	2723
Finland	euro	3465	3527
Germany	euro	2994	3088
Greece	euro	1585	1607
Italy	euro	2233	2251
Latvia	euro	1004	1076
Norway	Norwegian Krone	45610	47290
Romania	Romanian Lei	4357	4853
Bulgaria	Bulgarian Lev	1146	1274

Source: (ILO, 2021)

It should be noted that from 2008 to 2017, wage growth reached a very significant level, in particular, increased by 150% in Romania, 109% in Bulgaria, 85% in Hungary, 78% in Poland, 31% in the United Kingdom and in the US by 24%. As for the increase of salaries in Georgia in 2020 compared to 2014 amounted to 33.3%, and in 2019 compared to 2018 the increase in salaries in Armenia and Georgia amounted to 5%, in Latvia and Estonia 7%, in Azerbaijan 14%, in Russia 9%. As we can see the situation is quite unfavorable.

Migration, as we have mentioned, is caused by many reasons, among which we can name:

- Political asylum.
- Humanitarian or economic asylum.
- Cultural migration.
- Family migration.
- Migration for military purposes.
- Migration due to humanitarian disaster.
- Unemployment-related migration associated with job shortages.
- Migration due to low pay - in both private and public institutions.

- Due to the economic situation in the country, which is reflected in the social background.
- Migration due to illegal dependence.
- Working conditions that include forced unemployment (FES, 2016)

Migration of students is also important, who are leaving the country to improve their skills. Of course, this is good on the one hand, because they are given the opportunity to share the technology of developed countries, gain proper knowledge and, upon return, introduce it in their own country. But a large proportion of graduates rarely return from countries with developed economies, which is still due to differences in skills prices and / or the ability to use skills.

Only in the 2014-2015 academic year, 434 students left the country to study abroad (according to unofficial statistics, this number is even higher). 63% of the population who have gone abroad are under the age of 35, and according to a 2008 survey by the CRRC and ISET, 35% of Georgian migrants have a higher education. Based on all the above, we can

conclude that the so-called Brain drain, which is not really a positive development for the country's economic growth. To at least partially prevent this, an initiative has been set up under which the state will ensure that students are sent abroad only on the condition that they will return. The state, in turn, will be obliged to offer them an optimal job for 6 months, where they will work for at least 3 years. However, the vast majority of students studying abroad are funded by host countries / universities and not by their own state. Consequently, they are not obliged to return to the country. And even this initiative will not completely solve this problem until an attractive working environment is created in the country, which itself makes the emigrants want to return. (Gakheladze, 2014)

In addition to the factors, we have discussed that have a negative impact on the growth of a country's economy, migration can also bring good to the economy. This goodness is in international remittances. Remittances help strengthen the local currency and diversify risks during economic crises and especially help the country's economy. Remittances come from abroad, trying to help family members left in Georgia. It is because of these remittances that most of the Georgian population is purchasing power.

If we look at the statistics and compare the data of today and ten years ago, we will see that the highest rate of emigration is among people aged 25-29 (see Table 4).

Table 4 Emigration in 2011-2020 by age

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
All	107,202	90,584	95,064	88,704	95,965	98,288	85,451	98,935	105,107	74,264
15-19	10,086	7,412	5,656	5,474	5,439	5,985	5,349	5,675	5,594	3,647
20-24	15,300	12,988	13,090	12,680	12,562	12,409	11,099	11,751	11,365	10,377
25-29	14,364	12,568	13,428	12,954	13,833	14,534	12,216	14,222	14,545	9,274
30-34	11,974	10,286	11,418	10,669	11,340	11,812	10,475	12,300	13,300	8,820
35-39	10,130	8,794	9,638	8,845	9,877	9,824	8,874	10,472	11,475	7,741
41-44	9,074	8,152	8,288	7,436	8,268	8,366	7,576	9,108	9,868	6,730
45-49	6,170	5,788	7,536	6,718	7,248	7,165	6,496	7,756	8,188	27,675

Source: (NSOofGE, Migration, 2021)

As for 2020, the number of immigrants amounted to 74,264 , which is less than the data of the previous year, which was mainly caused by the world pandemic and related regulations.

### 3 UNEMPLOYMENT AND ITS CAUSES

One of the factors contributing to the growth of migration in Georgia is the lack of jobs or unemployment. Several economists believe that to reduce the level of unemployment, it is necessary to regulate income, they believe that such measures should be an integral part of the socio-economic policy of any country. In their view, this is because revenue growth will not be limited in any way. But at the same time, the increase in demand will lead to an increase in prices and not an increase in jobs.

Unemployment, as one of the main causes of migration, as well as socio-economic events became more pronounced during the Covid-19 period and greatly affected the population of Georgia. Although some assistance was provided by the government to the population. Unemployment affected all sectors and all families in different ways. This further increased the number of people wishing to leave the country.

Although the average wage level has risen, a large portion of the population is still leaving the country. The exception is 2020-2021, when many citizens had to return to Georgia due to the pandemic, which is indicated by the population growth, i.e., in the year 2020 the total population was 3,716.9 thousand. But it should be noted that it is important to pay attention to the level of unemployment, about which the following figures give a clear idea (see Figure 1. and Table 5.)

As can be seen from Table 5 and Figure 1, the unemployment rate for the two quarters of 2021 increased significantly, but is lower than in 2010-2013.

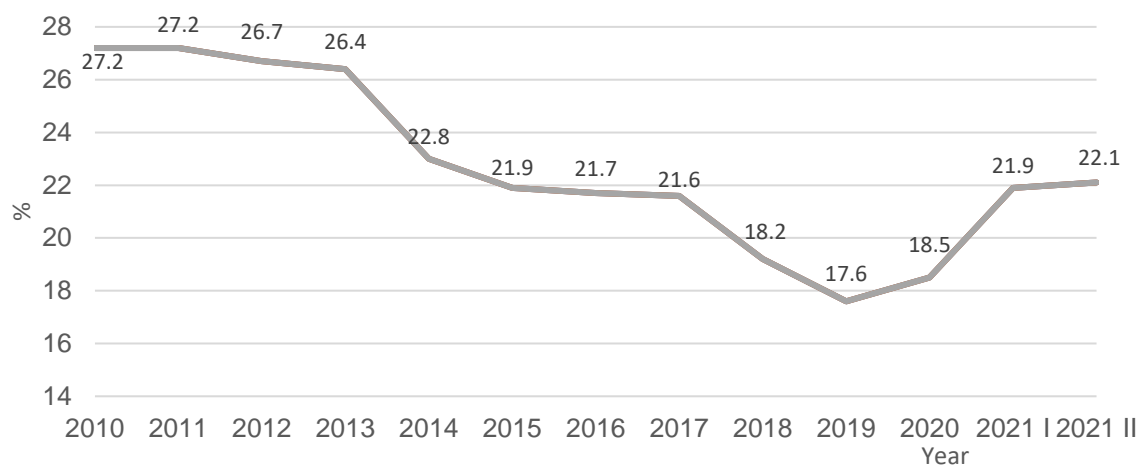


Figure 1. Unemployment rate in Georgia in %

Source: (NSOofGE, Employment and Unemployment, 2021)

Table 5. Unemployment in Georgia

	2014	2015	2016	2017	2018	2019	2020	2021 I	2021 II
Unemployed, thousand persons	374.0	367.2	359.2	354.5	309.0	276.9	281.9	317.5	344.6

Source: (NSOofGE, Employment and Unemployment, 2021)

#### 4 WAYS TO SOLVE THE PROBLEM OF UNEMPLOYMENT

To reduce migration, especially among young people, it is necessary to address the issues of developing and regulating special programs aimed at training and retraining the workforce. This will allow the population to find a job quickly. This is what vocational training programs that operate in Georgia, in particular in the Imereti region, serve. In Georgia, to avoid the negative economic consequences due to unemployment, it is necessary to determine the qualitative and quantitative indicators of such results, which are the basis for developing a set of necessary measures and their practical implementation to reduce or prevent economic losses.

To reduce migration and unemployment, it is necessary to take the following measures:

1. Increase investments, which will lead to an increase in employment.
2. The government should increase government spending to stimulate production and return the unemployed to their jobs.
3. In the field of employment and labor market regulation, social insurance programs should be properly used, and part of the funds should be spent on social protection of the unemployed.

In conclusion, we can say that migration is needed to some extent to have international remittances, so that local people to be able to study high-tech technologies and share international experience.

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