



On behalf of the
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Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

Executive Summary

Georgia

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After the disintegration of the Soviet Union in 1991, the economic systems in all post-Soviet countries began to change. The transition period in Georgia was particularly complicated due to territorial conflicts and armed civil confrontation at the beginning of the 1990s and later in 2008 in Abkhazia and so-called South Ossetia. Furthermore, Georgia's economy has undergone significant structural changes over the last decades. After independence it experienced a disastrous drop in industrial output, real income and capital investment and by 1994, GDP had fallen by 72% in comparison to the level of 1990. Economic and political stabilisation starting from 1994 allowed a slow economic development which was accelerated with the implementation of macro-economic reforms since 2000. However, economic growth in Georgia did not translate in an increase of labour force participation and employment rates still do not exceed 53%. The majority of employed population works in (subsistence) agriculture accounting for slightly more than half of total employment.

Thus, as a typical post-Soviet country Georgia has been seriously affected by out-migration after its independence proclaimed in 1991. Sharp increase in out-migration from Georgia occurred in the 1990s and remained at the high level during the whole period of 1992-1996. Later in the 1990s, according to official statistics international migration flows from Georgia somehow stabilized. The recent emigration flows from Georgia are mainly directed to (irregular) labour migration and they are temporary. The duration of stay of Georgian labour migrants abroad is on average around 3 years. The number of migrants currently abroad is estimated somewhere around 140,000 people and an additional number of 138,000 is estimated to be returnees. Hence, between 7% and 8% of current Georgian population has experienced some kind of migration. 60% of the total number of migrants resides in the Russian Federation. Low-skilled male migrants dominate in Russia, while the share of female migrants is prevalent in EU countries such like Greece, Germany and Italy.

Besides international migration, internal migration has been taking place mainly from rural and other urban areas to Tbilisi. Besides educational motives, lack of employment opportunities outside agriculture and high risk of poverty and social exclusion are the main push factors for out-migration from rural and other formerly industrialised urban areas.

Forced migration has been one of the features of the internal movements in Georgia since independence. Two main flows of IDPs have occurred in Georgia since 1990. In 1991-1993 approximately 300,000 persons were internally displaced due to territorial conflicts in Abkhazia and so-called South Ossetia. After the end of the conflicts in 2008, Georgia had lost the last areas it controlled in so-called South Ossetia and Abkhazia, and more than 138,000 people were internally displaced within Georgia. In mid-2010, the Georgian government reported there were still some 233,000 "old" IDPs and about 22,000 "new" IDPs in Georgia.

Due to emigration Georgia faces the serious problem of brain drain and brain waste. Though labour migrants tend to be more educated than the general population, in most cases they are involved in irregular low-paid and unskilled work abroad that does not require such high education and can therefore be characterized as a certain type of "brain waste". This holds particularly true for women who in general have higher educational status than male migrants. Returnees have considerable difficulties to get re-integrated into the labour market which is also due to the non-existence of a public employment service.

Remittances constitute a significant income source for the Georgian population ranging between 20 and 40% of the average monthly personal income. Its share in GDP has been constant in recent years at about 6%. However, the real inflows are estimated to be considerably higher due to the high share of informal money transfers. The major share of remittances is spent on basic daily expenses such as food, clothes and utilities, and there is only little use for business investments. Data from the Integrated Household Survey suggest that without remittances the poverty rates in recent years would have been higher by approx. 2% using the poverty threshold of 60% of median consumption.

Those groups most vulnerable due to migration are IDPs, but also children and elderly left behind. Though children and elderly are not in the focus of public concern, they have

considerable disadvantages due to migration of their parents respectively children. Juvenile delinquency and problems associated with homelessness among children left behind have grown due to the lack of parental supervision. For the elderly, long-term care provisions are widely lacking, be it in state owned homes for elderly or by alternative care providers, which becomes a serious issue in case of absent family networks.

As regards IDPs, though the government has undertaken considerable efforts to provide housing, the majority of IDPs has remained poor with no or no regular sources of income, abominable housing conditions and with little hope of return to their homes. Against this background, durable solutions for IDPs securing their sustainable livelihood are urgently needed. Municipal governments should, where appropriate, allocate land to IDPs to lessen their dependence on state benefits. Beyond the allocation of land, the government should also develop and implement policies supporting a micro-financing assistance for income generation opportunities of IDPs and creation of sustainable jobs through prioritization of investment in areas with a high concentration of IDPs.

The absence of any internal migration policy in Georgia is another issue of serious concern. As it is known incomes in agriculture in Georgia are very low. To prevent youth from migration to urban areas, profitability of agriculture has to be increased by introducing new technologies in this area, by providing credits at low interest rates for the farmers and by facilitating market access of their products. Furthermore it is necessary to create employment opportunities outside the agricultural sector. In general regional development strategies implemented by the state should go hand in hand with employment policies including the training and re-training of the local workforce.

A specific feature of the Georgian labour migration abroad is that it is largely illegal. Accordingly, Georgian migrants usually rely on often informal recruitment services. The main obstacle for effective improvements in the field of facilitating labour migration from Georgia is that the government does not consider any management and monitoring of labour market necessary. There is no governmental structure for labour market management, no regular information on Georgian labour market supply and demand and no public employment service. Private employment agencies and individuals are currently the only suppliers of job matching services on the Georgian labor market.

Georgian migrants are highly vulnerable to social risks due to non-existence or suspended (in the case of Russia) application of bilateral labour and social security agreements, but also due to weak social insurance systems in the country. In order to facilitate the circular migration for Georgian citizens the gradual extension of visa liberalisation and other activities under the Mobility Partnership should be activated along with the conclusion of labour and social security agreements and re-integration support for returnees.

Main policy objective of Georgia should be to create effective mechanisms for managing and monitoring the migration flows. The government has to strengthen its capacity to understand and assess the actual and potential sources of regular and irregular migration from Georgia and increase the effectiveness of existing national and regional migration policies.