

# Twinning Project

Contract: GE 16 ENI ST 06 18

## Strengthening the Capacity of the Georgian Statistical System

### Component 4: “Strengthening Social Statistics”

#### Sub-component 4.1: “Labour Force Methodologies and Indicators”

## MISSION REPORT

### Activity: 4.1.C (RS) “Analyzing results and discussions of indicators”

Mission carried out by  
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July 28<sup>th</sup> – September 14<sup>th</sup> 2020

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## 1. General comments

This mission report was prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". This was the second mission within the sub-component 4.1 „Improved Labour Force Methodology and indicators” and was mainly devoted to analyze results from the new questionnaire and to discuss new indicators and recalculation of historical data.

The general context of the work is the update of the Georgian Labour Force Survey to implement the latest international statistical standards which impact the definition of employment, unemployment and related key labour market indicators. To advance with this process a major pilot study was organized in the first quarter of 2020 whereby the existing and new LFS surveys were operated in parallel. This exercise was repeated in Q2 2020 (although mode had to change due to COVID-19 restrictions). The intention of Geostat is to publish the new series (so far consisting of Q1-Q3 of 2020), in November 2020 using the Q3 2020 survey results for the launch with selected series recalculated historically. In addition to the parallel surveys some questions had been added to the existing LFS from Q2 2019 onwards to enable some analysis of expected impact on results of the changes that needed to be made to the questionnaire to align with the latest statistical standards.

The purposes of the mission were:

- Analysis of first results of the full-scale pilot survey
- Presentation and assessment of new standards and the methods of calculation of indicators
- Comparison and analysis of new vs. old standard indicators
- Presentation and assessment of output tables pattern, relevant to the new standards
- Determine output tables frame for publishing
- Presentation of countries best experiences in recalculation old standards data in line with the new standards and proposal of a method to complete historical recalculations

The consultants would like to express their gratitude to the Geostat staff who participated in the mission, for the kind support and valuable information received during the mission, the ILO country office which provided support for the activities and Statistics Denmark for ongoing inputs and support.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of the European Union, Geostat, Statistics Denmark, or other statistical institutions involved in the implementation of the project.

## 2. Assessment and results

The analytical process began in July 2020. The first focus was to assess the impact on key indicators of the change in standards and the questionnaires. In this context an initial task was to assess the quality of the results generated by the two surveys completed in Q1 2020. A large volume of analytical tables were generated for this purpose, in particular to compare the Q1 2020 results for common indicators across the two surveys, along with key disaggregations and additional indicators to draw conclusions on any major differences observed.

Early analysis indicated that the two surveys had generated highly plausible results, that were in line with expectations given the changes made and therefore provided a good base for advancement of the process. All major differences noted (such as a lower estimate of employment and a higher estimate of unemployment) were expected and could be explained with respect to the reality in Georgia, for example that a large proportion of agricultural work was done to produce foodstuff for family consumption as already indicated by previous surveys such as the Census of Agriculture. This activity was considered employment under the old standards, but not under the new standards.

This initial analysis and findings were used to generate an initial draft report to illustrate how the key differences between the series could be explained to users as a basis for the preparation for dissemination of

results in November 2020. The findings and the draft report were discussed in depth during a call on 28<sup>th</sup> July, 2020. All parties were satisfied with the results generated by the pilot study. The next steps agreed in the call were to focus on the issue of recalculation of historical series that was an important step to prepare for publication, along with remaining analysis to finalise preparations for launch of the new series.

Following the first call additional analysis was completed of more disaggregated series to confirm the earlier sets of findings and a heavier focus was placed on methods to undertake historical recalculations. A second call took place on 20<sup>th</sup> August to discuss the progress of the recalculations process and take feedback from Geostat on a variety of technical and analytical issues relevant to the analysis and differences between the two surveys. In particular the main possibilities for recalculations discussed were the use of adjustment factors (generated in different ways but broadly speaking involving the calculation of the ratio between new and old results and applying that to previous series on the assumption that relationship was reasonably constant over time) and model based approaches. Arising from this call agreement was reached in principle on the methodological approach to recalculations subject to further clarification on the possibilities to use model based approaches.

Subsequently the consultant generated a wide range of recalculated series from Q1 2010 to Q4 2019 based on different possible recalculation approaches. There was an engagement with experts in Eurostat on recalculation approaches to further validated preferred approaches. Arising from this engagement it was concluded that model based approaches would not be feasible due to the absence of the supporting information required (either through existing seasonally adjusted series or external information required to support the models). Focus was put on refining the process for recalculating adjustment factors and using these to generate the historical series.

A comparative analysis was prepared of alternative historical series which could be generated (for example accounting for the level of detail at which recalculation factors should be calculated, how to generate totals for key series and how to ensure consistency with the known historical populations. This involved comparing the original published series to the newly generated alternatives. This analysis was presented and discussed in detail during a third call on 15<sup>th</sup> September and preferred options among those presented were identified. In addition a further discussion was held on the dissemination strategy of Geostat and some additional analysis Geostat had undertaken of differences between data generated under the old and new standards.

The 15<sup>th</sup> September call marks the substantial end of the activity. At that point the complete analysis of the impact of the introduction of the new standards had been presented, discussed and concluded upon. This will form the basis of the dissemination to take place by Geostat in November 2020. Further the proposed historical series were generated and agreed upon, as a further element of the disseminated series for November 2020. Following on from the call the consultant provided all materials showing the completed analysis, the calculation methods used, the relevant STATA code and all other materials generated during the process.

In addition to directly supporting Geostat in the process of updating their key labour force series the process has served as an excellent capacity building activity for Geostat and should contribute to ongoing quality improvement and assurance of the LFS and the related statistics over the coming years.

A lot of notes, excel sheets and draft reports were shared at the meetings held, but they all contain confidential information which is the reason why they are not available from the Twinning projects webpage.

### 3. Conclusions and follow up

- As of September 2020 all data required for publication have been generated along with the supporting materials upon which Geostat can prepare the dissemination of results in November 2020. Some remaining decisions are required nationally such as the range of indicators for which historical recalculations will be done and how far back in time those recalculations should cover. Advice has been provided to guide these decisions.



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- The ILO, who collaborated with this process, will continue to provide assistance as needed for the remaining activities up to the publication of results, and beyond as needed. Once Geostat has developed the proposed dissemination materials it has been agreed to hold a further call as part of ILO's support to the country.
- On balance it can be concluded that the process of introducing changes to the LFS, including the completion of the pilot studies, has been completed very successfully, positioning Geostat very well to publish the generated results along with good supporting information for users.

## Annex 1. Terms of Reference

**EU Twinning Project GE 16 ENI ST 06 18**

**July 28<sup>th</sup> – September 15<sup>th</sup> 2020**

### **Component 4: Strengthening Social Statistics**

#### **Sub-component 4.1: Labour Force Methodologies and Indicators**

##### **Mandatory results and benchmarks for sub-component 4.1**

- Improved Labour Force methodologies and indicators

##### **Indicators of Achievement (baseline and targets):**

- Availability of current LFS questionnaire
  - **Baseline:** 2019 – LFS methodology (Questionnaire) is outdated
  - **Target:** End of 2020 – Methodology updated and changes ready for implementation in collection instrument according to ILO methodology
- Availability of systematic approach to missing data and non-response at data collection stage
  - **Baseline:** 2019 – No systematic approach to missing data
  - **Target:** November 2020 – Imputation methodologies (handling of missing data) introduced
- Number of staff with knowledge on imputation methods
  - **Baseline:** 2019 – n/a
  - **Target:** August 2020 – 3 staff members trained
- Availability of experimentally calculated seasonal adjusted data on LFS
  - **Baseline:** 2019 – Seasonally adjusted data is not available
  - **Target:** March 2021 – Experimental calculation of Seasonally adjusted data prepared

##### **Activity 4.1.C (RS): Analyzing results and discussion of indicators**

###### **1. Purpose of the activity**

- Analysis of first results of the full-scale pilot survey
- Presentation and assessment of new standards of the methods of calculation of indicators
- Comparison and analysis of new vs. old standard indicators
- Presentation and assessment of output tables pattern, relevant to the new standards
- Determine output tables frame for publishing
- If possible: Presentation of countries best experiences in recalculation old standards data in line with the new standards

###### **2. Expected output of the activity**

- First results and main findings from the full-scale pilot survey analyzed and assessed
- Calculation of new standard indicators presented and assessed
- Old and new standard data compared and analyzed
- Output tables pattern for publishing presented and assessed
- Output tables frame for publishing finalized
- Countries best experiences in recalculation old standards data in line with the new standards presented
- Mission report written



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## Annex 2. Persons met

### **Geostat**

Mr. Vasil Tsakadze, Head of Social Statistics Department

Mrs. Irma Gvilava, Head of Labour Statistics Division

Mr. Zezva Sanikidze, Senior Specialist of Labour Statistics Division

Mr. Irakli Guguchia, Senior Specialist of Labour Statistics Division

### **RTA Twinning Team**

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