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POLICY BRIEFING
GEORGIA

Relocation of people from Russia and Belarus to Georgia: results of survey among IT professionals

by Sebastian Staske

Outline

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1. Motivation

1. Motivation

- » The war in UKR and the worsened living conditions in RUS and BLR have caused a significant relocation of people to GEO
- » But: very limited data available on socio-economic background; first GET/CRRC survey from Jun-22 one of few comprehensive studies
- » This survey established that many of the relocated people have a background in IT
- » GET and CRRC conducted a [second, follow-up survey](#)
- » High importance to know the specific characteristics of relocated people for policy making decisions; characteristics for IT professionals may differ
- » Results may also help to evaluate the potential of relocation by IT professionals for the local IT sector
- » Thus: the 2nd survey not only provided an update of the results of the 1st edition, but additionally focused more in-depth on people with a background in IT
- **Key questions: How do IT professionals differ from non-IT migrants? What are their perceptions about GEO?**

Goal of this Policy Study

Presentation of results of survey questions related to IT professionals

2. Results of survey conducted by CRRC-Georgia

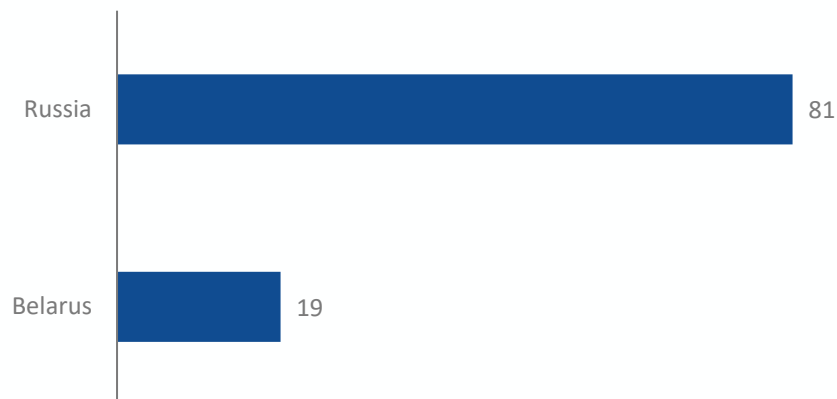
2.1. Methodology

- » The IT survey is a subsample of the full survey. It is based on **118 interviews** with people
 - who entered GEO on or after 24 Feb 2022
 - and have a RUS or BLR citizenship
 - and **mentioned that they work in the IT sector**

- } same as in full analysis
 - } additional selection
- » Interviews were **administered face-to-face** in the period Nov-Dec 22
- » Convenience and haphazard sampling approaches were used (quasi-randomness)
 - Thus: limited representativeness, since the sample is not fully random
 - However: as characteristics of the RUS and BLR population in GEO not known (and still changing), it is impossible to do random sampling of respondents
- » Due to the nature of the sample, **results cannot be generalized to the complete population of RUS and BLR migrants in GEO**
- » Values for income and expenditure are imputed: if respondents were unable to reply with an exact value, then they were offered to name a range within which their incomes/expenditures fell. During the data cleaning, cases with such categories were assigned a middle value of the corresponding category
 - If a respondent earned between USD 201 and 400, then such an individual was assigned a value of USD 300 and so forth
 - In cases, where the respondent has indicated an income below USD 200, a value of USD 100 was assigned

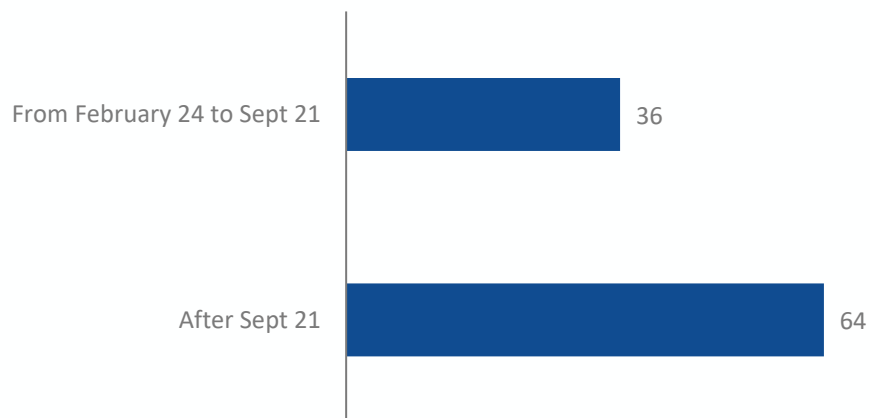
2.2 Demographic profile

What is your citizenship? (% of sample)



Note: N=118

When did you arrive in Georgia? (% of sample)



Note: N=118

Citizenship and ethnicity

- » 81% hold RUS citizenship
- » 19% hold BLR citizenship
- » Multiple nationalities negligible

Demographics

- » Male 80%, Female 20%
- » Relatively young (median age 29)

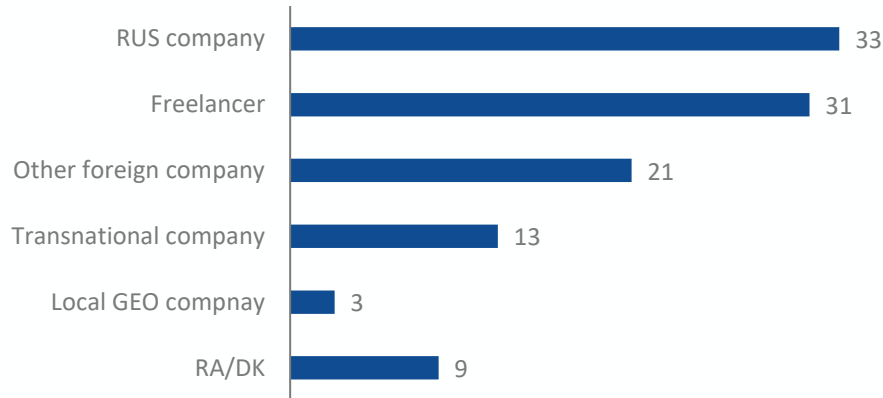
Arrival and residency

- » Majority (64%) of sample has arrived after mobilisation on 21 Sep 2022
- » 62% of people reside in Tbilisi

- Majority of the relocated IT people are RUS citizens
- Mostly young and male

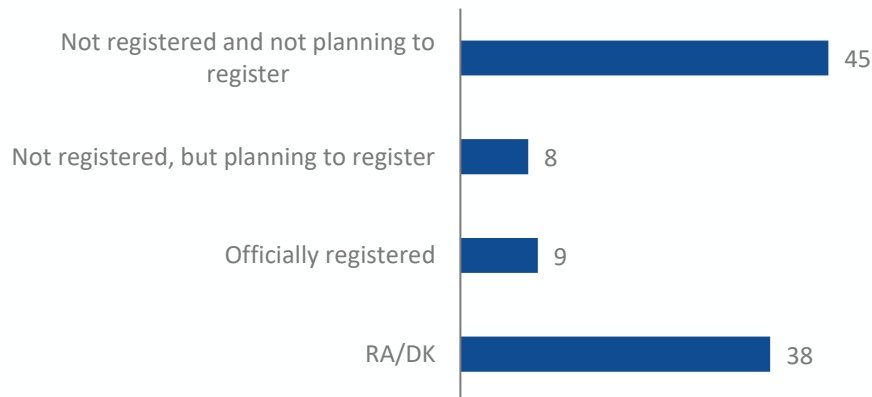
2.3 Employment (1/2)

Employer by country
(% of sample)



Note: N=122

Registration status of company in GEO
(%, single choice)



Note: N=85

Employment

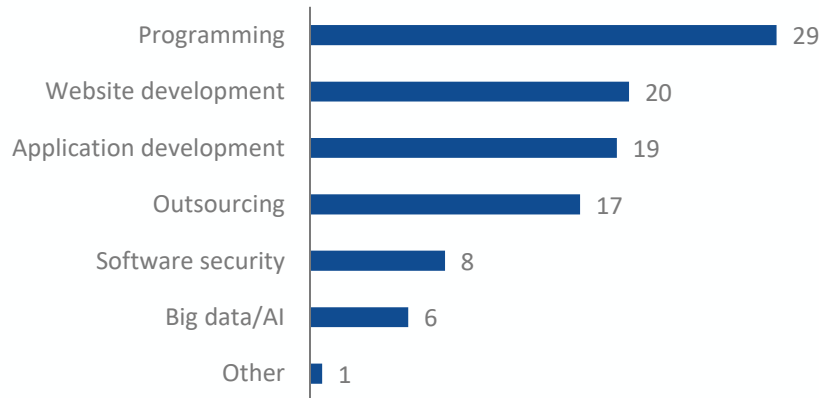
- » Most people employed by RUS company (33%)
- » 31% work as freelancers
- » GEO companies (3%) only marginal
- » Most companies employ only few, if any, GEO citizens

Registration status

- » Most (45%) work for companies that have not yet formally registered and do not plan to do so
- » Only 9% work for officially registered company
- Employment mostly through RUS (or other int'l) company
- Most companies not registered in GEO

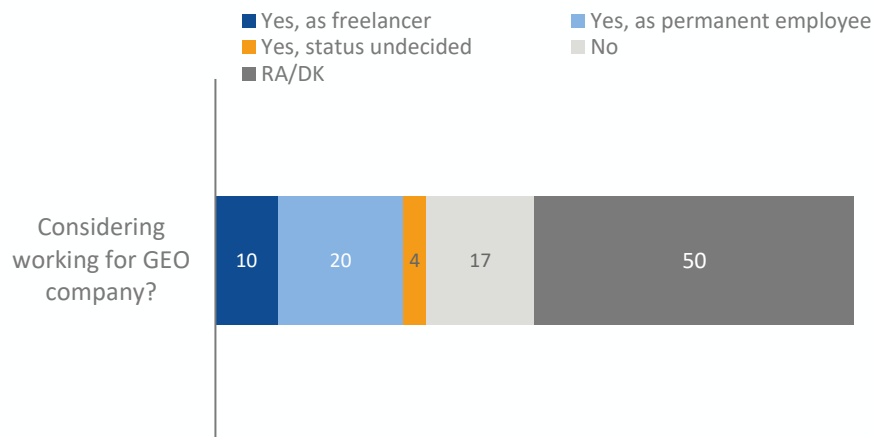
2.3 Employment (2/2)

Main area of work
(%, multiple choice)



Note: N=131

Would you consider working for a GEO company?
(%, single choice)



Note: N=112

Area of work

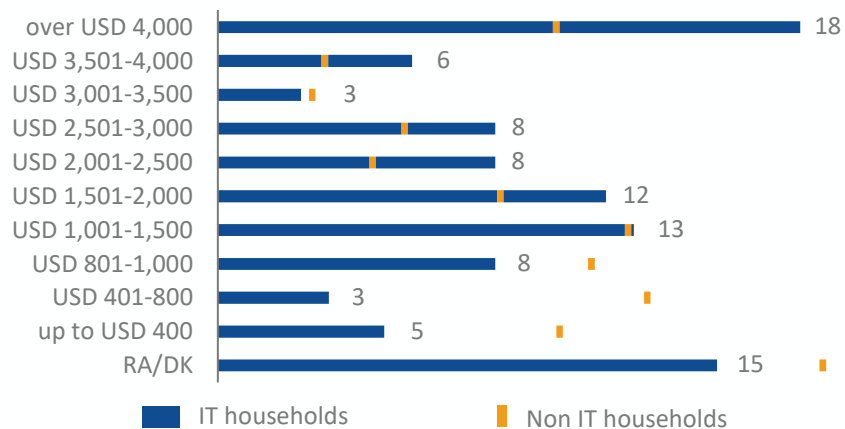
- » Programming (29%) most prominent area of work
- » Development for websites (20%) and applications (19%) also among top categories

Working for GEO company

- » Many people (50%) do not currently know if they would consider working for local IT company
- » 34% would consider it
- » 17% are not considering working for GEO company. Main reasons:
 - Satisfied with current job
 - Lower pay in GEO IT sector
- Programming is the main field
- Most people currently not looking for jobs in local IT sector

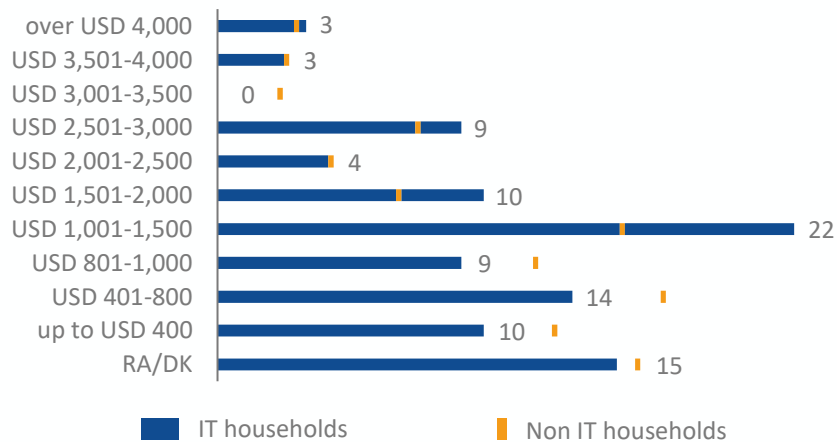
2.4 Income and expenditures (1/2)

Average monthly household income
(% of households)



Note: N=118

Average monthly household expenditures
(% of households)



Note: N=118

Income

- » Very high incomes
 - Average: USD 3,179 per month
 - Median: USD 2,400 per month
- » High variation, 24% with incomes above USD 3,000
- » Incomes significantly higher than for non-IT households

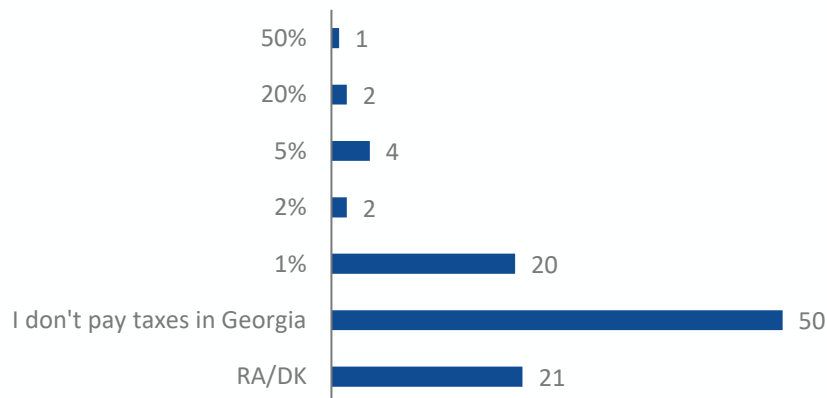
Expenditures

- » High expenditures
 - Average: USD 1,605 per month
 - Median: USD 1,450 per month
- » Less variation than for income
- » Somewhat higher expenditures than for non-IT households
- High incomes and expenditures

2.4 Income and expenditures (2/2)

At which rate is your income taxed?

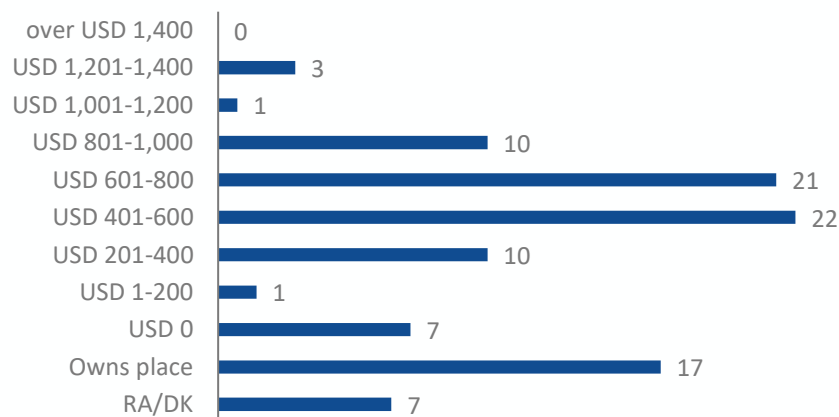
(%, single choice)



Note: N=118

Average rent per month

(% of households)



Note: N=113

Taxes

- » 50% of people say they do not pay income tax in GEO
- » Most other people (20%) pay 1% income tax
- » Only 2% of respondents said they pay 20% income tax

Average rent payment

- » Mean: USD 594*
- » Median: USD 600*
- » Higher average rent payments than total population

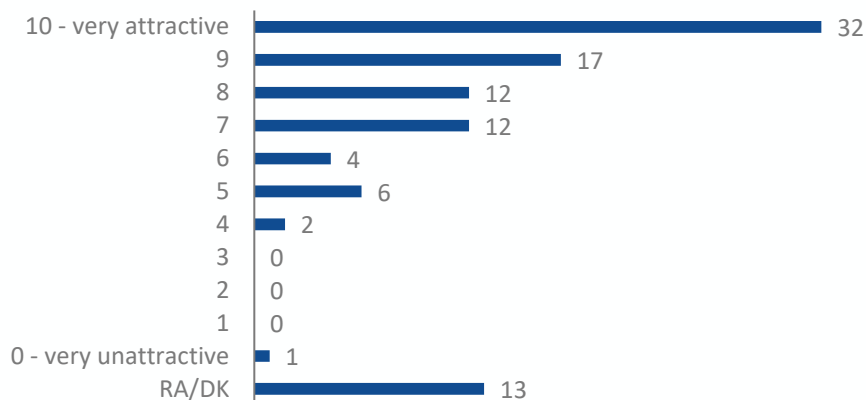
* Note: These figures do not represent the rent level as they include responses from people who live rent-free or in shared apartments, which biases the value downwards.

- Most relocated IT professionals do not pay income tax in GEO
- High rent payments

2.5 Visa regime and IT residency status

Attractiveness of GEO visa system

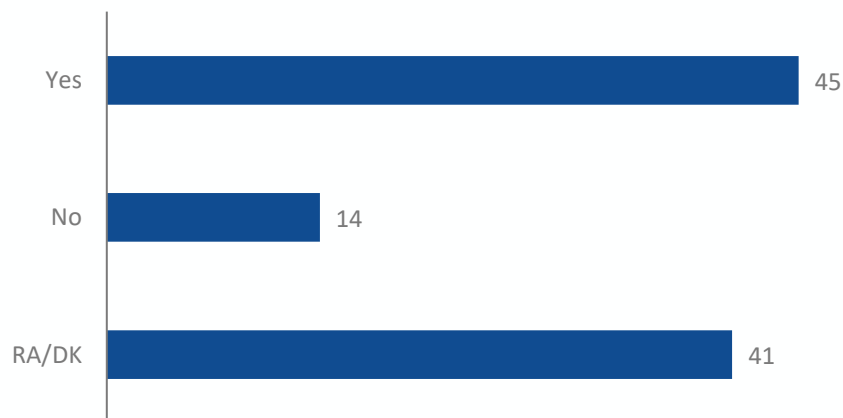
(scale from 0 to 10 points, % of sample, single choice)



Note: N=115

Interested in IT residency (legal resident status, 5% income tax)?

(% of sample)



Note: N=115

Attractiveness of current visa system

- » In general: very high score for current visa regime
- » 32% of respondents gave highest score
- » Dissatisfaction rate very low

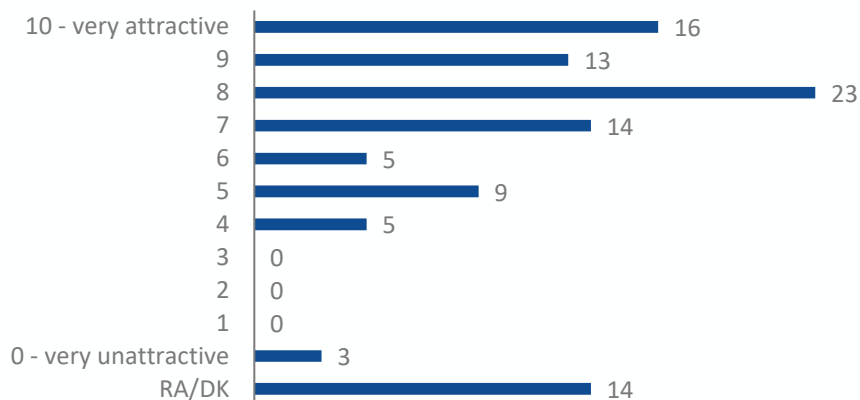
Potential for IT residency status

- » Respondents were asked whether they would be interested in a
 - legal residency status...
 - ...at 5% income tax?
- » 45% would be generally interested
- » However: 41% do not know; specifics of residency status would matter (length of legal stay, procedures, etc.)
- Current visa regime highly attractive
- Still: general interest in specific IT residency status

2.6 Perceptions about GEO and future plans

Attractiveness of GEO as a destination for IT professionals

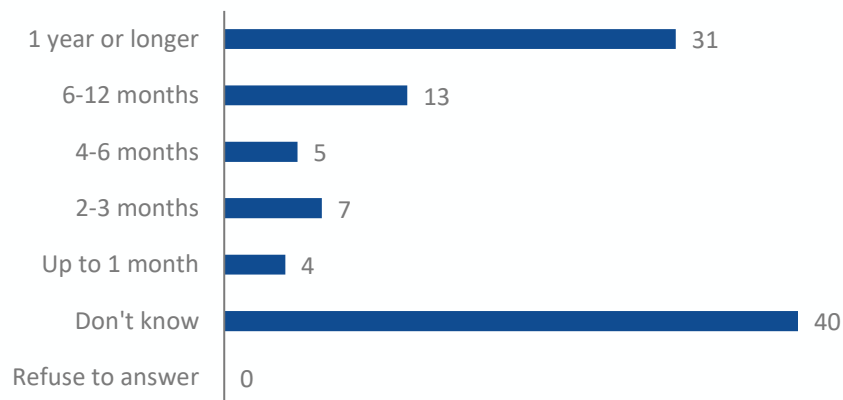
(scale from 0 to 10 points, % of sample, single choice)



Note: N=115

How long do you plan to stay in Georgia?

(%, single choice)



Note: N=118

Perceptions about Georgia

- » Very high scores for GEO as a destination for IT professionals (51% said 8 points or more)
- » Majority (51%) have not experienced any problems while living in Georgia

Length of stay

- » 31% of IT professionals plan to stay for more than 1 year
- » But: high uncertainty, 40% don't know
- » Remarkable: 30% do not plan on going back even when the war ends
- » 21% of people would stay for at least 6 more months once the war ends
- GEO seen as an attractive destination for IT professionals
- Many intend to stay for more than 1 year

3. Conclusion

3. Conclusion

- » IT professionals who came to GEO as part of the larger relocation from RUS and BLR **differ in key aspects** from the overall population of relocated people
- » Many of them **work for a RUS company** or an international company. Working for a GEO IT company is uncommon
- » At the moment, most are **currently not considering working for a local IT company**. However, most would not categorically rule this out
- » Most visibly, **incomes and expenditures (incl. rent) of IT people are higher** than the average and thus their impact on the economy
- » However, most respondents said that they **do not currently pay income tax in GEO**
- » The **current GEO visa system receives very high grades**. Nevertheless, there is general **interest in the concept of an IT residency status** (although this depends on the design)
- » GEO is seen as a **very attractive destination for IT professionals**. Most respondents did not face any serious problems while living in GEO
- » Many people intend to stay for **at least one year**. Even when the war ends, 30% of respondents **do not plan on going back**

About the German Economic Team

Financed by the Federal Ministry for Economic Affairs and Climate Action, the German Economic Team (GET) advises the governments of Ukraine, Belarus*, Moldova, Kosovo, Armenia, Georgia and Uzbekistan on economic policy matters. Berlin Economics has been commissioned with the implementation of the consultancy.

**Advisory activities in Belarus are currently suspended.*

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