

Issue # 17 / April 2014

2013

Georgia's Macroeconomy at a Glance: By How Much Did the Georgian Economy Grow in 2013? What Does the Past Tell Us About the Future?

In recent months, ISET-PI has devoted considerable time to exploring the reasons behind the sharp decline in annual real GDP growth in 2013 (from 6.2% in 2012 to 3.3%). With official data for the whole of 2013 finally becoming available, we are taking this opportunity to revisit our previous conclusions and offer new insights.

The figure below provides a visual representation of the sectoral contributions to real GDP growth in 2013. The horizontal axis represents the each sector's share of total GDP in 2012, whereas the vertical axis represents growth rates of each sector in 2013. Thus, the area of each rectangular block represents the overall contribution of each sector to real economic growth in 2013 (Under other sectors we included Education; R&D; other community, social and personal service activities).

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HIGHLIGHTS:



ISET Director at Georgian-Israeli Innovation Forum

Eric Livny, Director of ISET, served as a keynote speaker at the Israeli-Georgian business forum, "Georgia Gateway," that was organized by Israel Gateway and the Embassy of Israel on March 12, 2014.

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ISET Joins ICC

ISET is proud to announce that it has officially been accepted as a member of the International Chamber of Commerce of Georgia (ICC). In addition, Eric Livny, ISET's Director, has been invited by the ICC Executive Board to establish and chair a new committee on economic policy at ICC.

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Vacancies

ISET-PI is pleased to announce vacancies for a **Research Communication Manager** position and **two Research Associate** positions at the new Agricultural Policy Research Center (APRC), established in the framework of an USAID grant. Application deadline is May 4, 2014.

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PROJECT UPDATES:

Consumer Confidence Index: CCI continues to drop for the fourth month in a row

Leading GDP Indicator: Georgian growth is improving: is this good or bad news?

Khachapuri Index: Cost of making khachapuri is down by 8.6% month-on-month, and 0.6% up year-on-year



Technical Assistance to the Ministry of Labor and Health in Georgia on Improving the Matching of Registered Unemployed to Training Programs

The ISET Policy Institute team has started consulting with the Social Service Agency (SSA) of Georgia on improving the matching of registered unemployed to job training programs. ISET-PI researchers will develop a matching procedure to assign the unemployed to the most suitable (certified) training programs that are delivered in selected locations. The procedure will be designed to utilize all data available on job candidates, training programs, and the local/national labor market in order to improve the programs' effectiveness.

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Corporate Agribusiness Activity - Impact on Agricultural Productivity and Rural Development

ISET Policy Institute started a new project to support the Georgian government in the evidence-based policy formulation. The project will develop several case studies to illustrate the role of commercial enterprises - both local and those involving foreign investment and foreign expertise - in promoting productivity improvement in the agricultural sector.

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ISET Hosts Dialogue on the Contribution of Agricultural Cooperatives to Rural Development in Georgia

How do agricultural cooperatives succeed, and why do they fail? To critically evaluate new initiatives, discuss lessons learned from past efforts by international donors and NGOs, help support farmer groups and more generally improve farmers' market linkages – these were the aims of the latest inclusive growth dialogue held at ISET. The dialogue brought together a variety of stakeholders to assess the potential contribution of agricultural cooperatives to rural development in Georgia, as well as to identify the challenges that may arise in the process.

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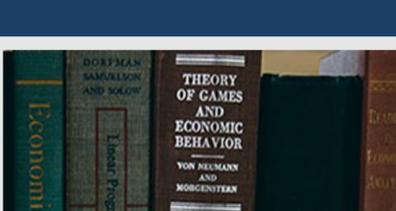
FROM THE BLOG:



Georgia, Armenia and Azerbaijan Agree to Form Transcaucasian Confederation by 2019

On April 1st, 2014, ISET Economist's special correspondent was invited to attend the signing ceremony, concluding the last round of trilateral negotiations held in Geneva, under the joint sponsorship of the Swiss Confederation, the US, Russia and Turkey. The three countries, represented by heads of states, agreed to join the newly created Transcaucasian Confederation and thus bring peace and a promise of prosperity to a deeply divided region. Look for ten points outlining the arrangements included in the agreement, carrying the signatures of Ilham Aliyev, Serge Sarkysyan and Irakli Gharibashvili, in a popular blog by Eric Livny.

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Do Economies Need Economists?

According to a rumor circulating among economists, there exists an econometric study, which shows that the more great economists it produces. So, are we better off without economists? Florian Bierman and Maya Grigolia discuss what makes an economist, where economists work and, building on exceptional employment records of ISET graduates, try to judge whether Georgia needs them or not.

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